

ANNUAL FINANCIAL REPORT

COFFEE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
COFFEE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017**

***COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT
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Director***

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Auditor 4***

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JENI PALADENI, CISA
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This financial report is available at www.comptroller.tn.gov

COFFEE COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Coffee County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Coffee County as of and for the year ended June 30, 2017.

Results

Our report on Coffee County's financial statements is unmodified.

Our audit resulted in three findings and recommendations, which we have reviewed with Coffee County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Execution docket trial balances were not prepared for Circuit, General Sessions, and Juvenile Courts.
- ◆ The computer software application did not generate a report of outside direct payments.
- ◆ The office did not review its audit software logs.

INTRODUCTORY SECTION

Coffee County Officials

June 30, 2017

Officials

Gary Cordell, County Mayor
Benton Bartlett, Road Superintendent
Dr. LaDonna McFall, Director of Schools
John Marchesoni, Trustee
Beverly Robertson, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Donna Toney, Register of Deeds
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

Gary Cordell, County Mayor, Chairman
Diane Argraves
B. Rush Bricken
Bobby Bryan
Barbara Buckner
Rosemary Crabtree
Michael Crockett
Margaret Cunningham
Missy Deford
Jackie Duncan
Kerry Farrar

Dennis Hunt
Steven Jones
Mark Kelly
Sam Mai
Kimberly Martin
Tim Morris
David Orrick
Major Shelton
Harold Speer
Timothy Stubblefield
Warren Walker

Road Commission

James Weaver, Chairman
Jeff Bush
Raymond Duke
Richard Harris
Marshall Qualls

Board of Education

Brett Henley, Chairman
Pat Barton
Shannon Duncan
Freda Jones
Sandra Klonaris
Gary Nester
Esther Sims

(Continued)

Coffee County Officials (Cont.)

Budget and Finance Committee

B. Rush Bricken, Chairman
Bobby Bryan
Steven Jones
Mark Kelly
Tim Morris

Audit Committee

Gary Hunt, Chairman
Margaret Cunningham
Stan Teal

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report

Coffee County Mayor and
Board of County Commissioners
Coffee County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 94-103 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coffee County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), individual fund financial statements of the Water and Wastewater Treatment Authority of Coffee County, Tennessee (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

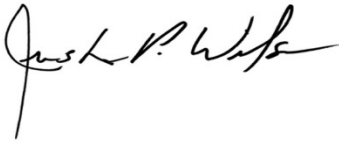
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), individual fund financial statements of the Water and Wastewater Treatment Authority of Coffee County, Tennessee, (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), individual fund financial statements of the Water and Wastewater Treatment Authority of Coffee County, Tennessee (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2018, on our consideration of Coffee County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coffee County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coffee County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 17, 2018

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

Coffee County, Tennessee
Statement of Net Position
June 30, 2017

		Component Units	
	Primary Government	Coffee County	Water and Wastewater Treatment Authority of Coffee County
	Governmental Activities	School Department	
<u>ASSETS</u>			
Cash	\$ 314,510	\$ 2,349	\$ 0
Equity in Pooled Cash and Investments	16,957,218	8,659,232	56,921
Inventories	2,215	0	0
Accounts Receivable	1,144,199	17,175	3,066
Allowance for Uncollectibles	(538,363)	0	0
Due from Other Governments	1,531,662	1,620,312	0
Property Taxes Receivable	15,806,621	9,271,924	0
Allowance for Uncollectible Property Taxes	(602,604)	(261,794)	0
Note Receivable-Current	28,088	0	0
Note Receivable-Long Term	252,731	0	0
Net Pension Asset - Agent Legacy Plan	1,404,782	657,245	0
Net Pension Asset - Agent Hybrid Plan	0	5,017	0
Net Pension Asset - Teacher Retirement Plan	0	47,525	0
Capital Assets:			
Assets Not Depreciated:			
Land	4,105,049	1,438,853	30,120
Construction in Progress	0	13,053	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	29,944,690	46,673,942	442,591
Infrastructure	6,996,188	0	0
Other Capital Assets	2,968,024	3,190,635	0
Total Assets	<u>\$ 80,315,010</u>	<u>\$ 71,335,468</u>	<u>\$ 532,698</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	\$ 20,597	\$ 0	\$ 0
Pension Changes in Experience	0	125,839	0
Pension Changes in Investment Earnings	941,872	3,597,706	0
Pension Other Deferrals	0	34,494	0
Pension Contributions After Measurement Date	480,497	1,844,125	0
Total Deferred Outflows of Resources	<u>\$ 1,442,966</u>	<u>\$ 5,602,164</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 218,869	\$ 16,905	\$ 0
Accrued Interest Payable	292,666	0	0
Accrued Payroll	0	2,515,903	0
Payroll Deductions Payable	139,032	1,690,939	0
Due to State of Tennessee	4,857	4	0
Noncurrent Liabilities:			
Due Within One Year	2,674,766	49,074	28,088
Due in More Than One Year	72,798,080	8,920,384	252,731
Total Liabilities	<u>\$ 76,128,270</u>	<u>\$ 13,193,209</u>	<u>\$ 280,819</u>

(Continued)

Exhibit A

Coffee County, Tennessee
Statement of Net Position (Cont.)

		<u>Component Unit</u>	
		Coffee County School Department	Water and Wastewater Treatment Authority of Coffee County
	<u>Primary Governmental Activities</u>		
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 14,769,812	\$ 8,784,888	\$ 0
Pension Changes in Experience	898,405	3,839,423	0
Pension Other Deferrals	0	122,567	0
Total Deferred Inflow of Resources	<u>\$ 15,668,217</u>	<u>\$ 12,746,878</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 21,185,898	\$ 51,316,483	\$ 191,892
Restricted for:			
General Government	1,114,113	0	0
Finance	194,113	0	0
Administration of Justice	89,126	0	0
Public Safety	208,662	0	0
Public Health and Welfare	1,740,943	0	0
Highways/Public Works	763,976	0	0
Debt Service	6,834,754	0	0
Capital Projects	1,469,062	0	0
Education	49,493	1,085,696	0
Pensions	1,404,782	709,787	0
Unrestricted	<u>(45,093,433)</u>	<u>(2,114,421)</u>	<u>59,987</u>
Total Net Position	<u>\$ (10,038,511)</u>	<u>\$ 50,997,545</u>	<u>\$ 251,879</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Coffee County, Tennessee
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Total Governmental Activities	Coffee County School Department	Water and Wastewater Treatment Authority of Coffee County
Primary Government:							
Governmental Activities:							
General Government	\$ 3,248,418	\$ 973,205	\$ 516,763	\$ 41,721	\$ (1,716,729)	\$ 0	\$ 0
Finance	1,691,742	1,536,829	0	0	(154,913)	0	0
Administration of Justice	2,395,679	2,115,845	9,000	0	(270,834)	0	0
Public Safety	10,451,831	1,675,358	203,692	2,451	(8,570,330)	0	0
Public Health and Welfare	4,832,106	2,034,728	55,004	67,901	(2,674,473)	0	0
Social, Cultural, and Recreational Services	1,116,119	71,782	0	0	(1,044,337)	0	0
Agriculture and Natural Resources	347,439	0	0	0	(347,439)	0	0
Highways/Public Works	2,462,166	0	2,030,578	711,610	280,022	0	0
Education	2,920,609	0	0	276,492	(2,644,117)	0	0
Interest on Long-term Debt	3,264,106	0	0	0	(3,264,106)	0	0
Total Governmental Activities	\$ 32,730,215	\$ 8,407,747	\$ 2,815,037	\$ 1,100,175	\$ (20,407,256)	\$ 0	\$ 0
Total Primary Government	\$ 32,730,215	\$ 8,407,747	\$ 2,815,037	\$ 1,100,175	\$ (20,407,256)	\$ 0	\$ 0
Component Units:							
School Department	\$ 42,451,237	\$ 926,719	\$ 4,653,712	\$ 2,144,295	\$ 0	\$ (34,726,511)	\$ 0
Water and Wastewater Treatment Authority	347,983	57,751	0	280,819	0	0	(9,413)
Total Component Units	\$ 347,983	\$ 57,751	\$ 0	\$ 280,819	\$ 0	\$ (34,726,511)	\$ (9,413)

(Continued)

Exhibit B

Coffee County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Total Governmental Activities	Coffee County School Department	Water and Wastewater Treatment Authority of Coffee County
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 12,247,648	\$ 8,827,700	\$ 0
Property Taxes Levied for Debt Service					2,635,719	0	0
Local Option Sales Taxes					3,255,178	4,485,238	0
Litigation Taxes					767,508	0	0
Wholesale Beer Tax					269,701	0	0
Mineral Severance Tax					37,335	0	0
Business Tax					976,534	0	0
Other Local Taxes					2,107	15,036	0
Grants and Contributions Not Restricted for Specific Programs					1,363,201	22,442,862	0
Unrestricted Investment Earnings					128,626	942	0
Miscellaneous					398,979	200,966	0
Sale of Equipment					112,011	1,275	0
Amortized Premium					41,697	0	0
Total General Revenues					<u>\$ 22,236,244</u>	<u>\$ 35,974,019</u>	<u>\$ 0</u>
Insurance Recovery					<u>\$ 19,358</u>	<u>\$ 2,992</u>	<u>\$ 0</u>
Change in Net Assets					\$ 1,848,346	\$ 1,250,500	\$ (9,413)
Net Position, July 1, 2016					<u>(11,886,857)</u>	<u>49,747,045</u>	<u>261,292</u>
Net Position, June 30, 2017					<u><u>\$ (10,038,511)</u></u>	<u><u>\$ 50,997,545</u></u>	<u><u>\$ 251,879</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2017

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,150	\$ 0	\$ 0	\$ 313,360	\$ 314,510
Equity in Pooled Cash and Investments	3,925,335	2,860,977	3,944,535	6,226,371	16,957,218
Inventories	2,215	0	0	0	2,215
Accounts Receivable	131,533	0	0	1,012,666	1,144,199
Allowance for Uncollectibles	0	0	0	(538,363)	(538,363)
Due from Other Governments	349,578	0	206,863	975,221	1,531,662
Due from Other Funds	170,766	0	0	45,692	216,458
Property Taxes Receivable	10,917,720	1,498,827	1,216,909	2,173,165	15,806,621
Allowance for Uncollectible Property Taxes	(307,597)	(43,755)	(64,318)	(186,934)	(602,604)
Notes Receivable - Current	0	0	28,088	0	28,088
Notes Receivable - Long-term	0	0	252,731	0	252,731
Total Assets	<u>\$ 15,190,700</u>	<u>\$ 4,316,049</u>	<u>\$ 5,584,808</u>	<u>\$ 10,021,178</u>	<u>\$ 35,112,735</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 132,402	\$ 0	\$ 0	\$ 86,467	\$ 218,869
Payroll Deductions Payable	110,480	0	0	28,552	139,032
Due to Other Funds	45,692	0	0	170,766	216,458
Due to State of Tennessee	4,089	0	0	768	4,857
Total Liabilities	<u>\$ 292,663</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 286,553</u>	<u>\$ 579,216</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,346,056	\$ 1,416,130	\$ 1,097,254	\$ 1,910,372	\$ 14,769,812
Deferred Delinquent Property Taxes	247,693	36,530	53,764	73,479	411,466

(Continued)

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 137,682	\$ 0	\$ 0	\$ 1,130,591	\$ 1,268,273
Total Deferred Inflows of Resources	\$ 10,731,431	\$ 1,452,660	\$ 1,151,018	\$ 3,114,442	\$ 16,449,551
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 2,215	\$ 0	\$ 0	\$ 0	\$ 2,215
Restricted:					
Restricted for General Government	15,432	0	0	0	15,432
Restricted for Finance	255,140	0	0	0	255,140
Restricted for Administration of Justice	176,954	0	0	0	176,954
Restricted for Public Safety	32,665	0	0	557,249	589,914
Restricted for Public Health and Welfare	6,471	0	0	1,787,459	1,793,930
Restricted for Other Operations	0	0	0	630,423	630,423
Restricted for Highways/Public Works	0	0	0	607,336	607,336
Restricted for Education	8,555	0	0	40,938	49,493
Restricted for Capital Outlay	0	0	0	1,459,816	1,459,816
Restricted for Debt Service	0	2,863,389	4,433,790	0	7,297,179
Committed:					
Committed for Administration of Justice	19,891	0	0	0	19,891
Committed for Public Health and Welfare	40,921	0	0	0	40,921
Committed for Social, Cultural, and Recreational Services	430,716	0	0	0	430,716
Assigned:					
Assigned for General Government	29,716	0	0	0	29,716
Assigned for Administration of Justice	2,514	0	0	0	2,514

(Continued)

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Public Safety	\$ 74,283	\$ 0	\$ 0	\$ 181,910	\$ 256,193
Assigned for Public Health and Welfare	2,000	0	0	377,566	379,566
Assigned for Social, Cultural, and Recreational Services	15,463	0	0	99,873	115,336
Assigned for Agriculture and Natural Resources	1,000	0	0	0	1,000
Assigned for Highways/Public Works	0	0	0	454,309	454,309
Assigned for Education	0	0	0	423,304	423,304
Unassigned	3,052,670	0	0	0	3,052,670
Total Fund Balances	<u>\$ 4,166,606</u>	<u>\$ 2,863,389</u>	<u>\$ 4,433,790</u>	<u>\$ 6,620,183</u>	<u>\$ 18,083,968</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,190,700</u>	<u>\$ 4,316,049</u>	<u>\$ 5,584,808</u>	<u>\$ 10,021,178</u>	<u>\$ 35,112,735</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2017

Amounts reported for governmental activities in the statement
of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 18,083,968
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Add: land	\$ 4,105,049	
Add: buildings and improvements net of accumulated depreciation	29,944,690	
Add: infrastructure net of accumulated depreciation	6,996,188	
Add: other capital assets net of accumulated depreciation	<u>2,968,024</u>	44,013,951
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (65,613,670)	
Less: notes payable	(699,000)	
Less: other loans payable	(7,463,514)	
Add: deferred amount on refunding	20,597	
Less: compensated absences payable	(775,677)	
Less: other postemployment benefits liability	(521,000)	
Less: accrued interest on bonds, notes, and other loans	(292,666)	
Less: unamortized premium on debt	<u>(399,985)</u>	(75,744,915)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,422,369	
Less: deferred inflows of resources related to pensions	<u>(898,405)</u>	523,964
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,404,782
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,679,739</u>
Net position of governmental activities (Exhibit A)		<u>\$ (10,038,511)</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 12,238,278	\$ 1,871,382	\$ 3,378,798	\$ 2,568,529	\$ 20,056,987
Licenses and Permits	244,993	0	0	9,856	254,849
Fines, Forfeitures, and Penalties	508,786	0	0	305,370	814,156
Charges for Current Services	659,885	0	0	1,891,529	2,551,414
Other Local Revenues	279,709	266,338	3,107	412,367	961,521
Fees Received From County Officials	2,987,248	0	0	0	2,987,248
State of Tennessee	2,374,364	0	0	2,793,047	5,167,411
Federal Government	254,994	0	398,938	2,400	656,332
Other Governments and Citizens Groups	167,616	0	225,892	0	393,508
Total Revenues	\$ 19,715,873	\$ 2,137,720	\$ 4,006,735	\$ 7,983,098	\$ 33,843,426
<u>Expenditures</u>					
Current:					
General Government	\$ 2,093,474	\$ 0	\$ 0	\$ 0	\$ 2,093,474
Finance	1,463,146	0	0	0	1,463,146
Administration of Justice	2,423,914	0	0	0	2,423,914
Public Safety	9,341,819	0	0	305,635	9,647,454
Public Health and Welfare	822,250	0	0	3,728,183	4,550,433
Social, Cultural, and Recreational Services	1,203,336	0	0	0	1,203,336
Agriculture and Natural Resources	283,894	0	0	0	283,894
Other Operations	1,644,117	0	0	114,384	1,758,501
Highways	0	0	0	2,571,175	2,571,175
Debt Service:					
Principal on Debt	0	2,367,916	1,313,884	87,000	3,768,800
Interest on Debt	0	648,431	2,636,830	2,518	3,287,779
Other Debt Service	0	204,348	50,955	0	255,303

(Continued)

Exhibit C-3

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 1,597,020	\$ 1,597,020
Capital Projects - Donated	0	0	0	2,144,295	2,144,295
Total Expenditures	<u>\$ 19,275,950</u>	<u>\$ 3,220,695</u>	<u>\$ 4,001,669</u>	<u>\$ 10,550,210</u>	<u>\$ 37,048,524</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 439,923</u>	<u>\$ (1,082,975)</u>	<u>\$ 5,066</u>	<u>\$ (2,567,112)</u>	<u>\$ (3,205,098)</u>
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 8,765,000	\$ 0	\$ 0	\$ 8,765,000
Premiums on Debt Sold	0	142,310	0	0	142,310
Proceeds from Sale of Capital Assets	1,450	0	0	47,927	49,377
Insurance Recovery	0	0	0	19,358	19,358
Transfers In	0	607,991	136,702	768,000	1,512,693
Transfers Out	(136,702)	0	(768,000)	(607,991)	(1,512,693)
Payments to Refunded Debt Escrow Agent	0	(8,740,160)	0	0	(8,740,160)
Total Other Financing Sources (Uses)	<u>\$ (135,252)</u>	<u>\$ 775,141</u>	<u>\$ (631,298)</u>	<u>\$ 227,294</u>	<u>\$ 235,885</u>
Net Change in Fund Balances	\$ 304,671	\$ (307,834)	\$ (626,232)	\$ (2,339,818)	\$ (2,969,213)
Fund Balance, July 1, 2016	<u>3,861,935</u>	<u>3,171,223</u>	<u>5,060,022</u>	<u>8,960,001</u>	<u>21,053,181</u>
Fund Balance, June 30, 2017	<u>\$ 4,166,606</u>	<u>\$ 2,863,389</u>	<u>\$ 4,433,790</u>	<u>\$ 6,620,183</u>	<u>\$ 18,083,968</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)	\$ (2,969,213)
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- (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:

Add: assets purchased	1,931,879	
Less: current-year depreciation expense	<u>(1,926,946)</u>	4,933

- (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.

Less: book value of capital assets disposed	(34,429)
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- (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.

Add: deferred delinquent property taxes and other deferred June 30, 2017	\$ 1,679,739	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(1,169,825)</u>	509,914

- (4) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Less: bond proceeds	\$ (8,765,000)	
Add: payment on refunding	8,733,927	
Add: change in premium on debt issuances	41,697	
Add: principal payments on bonds	2,672,916	
Add: principal payments on notes	392,000	
Add: principal payments on other loans	703,884	
Less: change in deferred amount on refunding debt	<u>(12,546)</u>	3,766,878

- (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in accrued interest payable	\$ 23,673	
Change in net pension liability/asset	(400,649)	
Change in deferred outflows related to pensions	726,617	
Change in deferred inflows related to pensions	95,664	
Change in compensated absences payable	696	
Change in other postemployment benefits liability	<u>124,262</u>	<u>570,263</u>

Change in net position of governmental activities (Exhibit B)	<u><u>\$ 1,848,346</u></u>
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The notes to the financial statements are an integral part of this statement.

Exhibit C-5

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,238,278	\$ 0	\$ 0	\$ 12,238,278	\$ 12,206,913	\$ 12,363,654	\$ (125,376)
Licenses and Permits	244,993	0	0	244,993	265,876	232,702	12,291
Fines, Forfeitures, and Penalties	508,786	0	0	508,786	429,575	533,724	(24,938)
Charges for Current Services	659,885	0	0	659,885	621,750	666,910	(7,025)
Other Local Revenues	281,159	0	0	281,159	262,100	268,947	12,212
Fees Received From County Officials	2,987,248	0	0	2,987,248	2,863,000	2,890,760	96,488
State of Tennessee	2,374,364	0	0	2,374,364	2,235,836	2,481,976	(107,612)
Federal Government	254,994	0	0	254,994	171,888	291,028	(36,034)
Other Governments and Citizens Groups	167,616	0	0	167,616	145,899	156,914	10,702
Total Revenues	\$ 19,717,323	\$ 0	\$ 0	\$ 19,717,323	\$ 19,202,837	\$ 19,886,615	\$ (169,292)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 47,718	\$ 0	\$ 2,400	\$ 50,118	\$ 54,518	\$ 50,518	\$ 400
Board of Equalization	1,098	0	0	1,098	1,615	1,615	517
Other Boards and Committees	26,502	0	0	26,502	22,530	27,913	1,411
County Mayor/Executive	312,751	0	0	312,751	324,139	324,139	11,388
County Attorney	56,224	0	0	56,224	49,800	61,800	5,576
Election Commission	327,624	(2,460)	2,506	327,670	397,510	397,510	69,840
Register of Deeds	258,609	0	0	258,609	270,689	272,439	13,830
Codes Compliance	143,515	(1,063)	1,413	143,865	173,817	163,411	19,546
County Buildings	796,933	(14,839)	15,017	797,111	827,755	854,082	56,971
Other General Administration	122,500	0	16,555	139,055	137,358	142,358	3,303
Preservation of Records	0	0	0	0	250	250	250
<u>Finance</u>							
Accounting and Budgeting	388,448	0	0	388,448	423,490	423,490	35,042
Property Assessor's Office	337,492	0	0	337,492	360,105	363,105	25,613
Reappraisal Program	19,352	0	0	19,352	24,238	24,238	4,886
County Trustee's Office	306,597	0	0	306,597	328,663	328,663	22,066
County Clerk's Office	411,257	(1,743)	0	409,514	425,321	430,321	20,807

(Continued)

Exhibit C-5

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 1,152,459	\$ (800)	\$ 1,845	\$ 1,153,504	\$ 1,175,042	\$ 1,220,042	\$ 66,538
General Sessions Judge	430,718	0	0	430,718	445,673	445,673	14,955
Drug Court	79,588	0	0	79,588	84,400	84,400	4,812
Chancery Court	300,965	0	0	300,965	305,380	308,880	7,915
District Attorney General	14,116	0	0	14,116	0	26,181	12,065
Office of Public Defender	16,266	0	0	16,266	4,800	20,832	4,566
Judicial Commissioners	150,437	0	669	151,106	130,161	157,855	6,749
Probation Services	279,365	0	0	279,365	286,692	286,692	7,327
<u>Public Safety</u>							
Sheriff's Department	2,657,638	(1,450)	8,619	2,664,807	2,884,136	2,889,597	224,790
Traffic Control	14,050	0	0	14,050	14,190	14,190	140
Administration of the Sexual Offender Registry	3,220	0	0	3,220	2,176	4,176	956
Jail	4,602,416	(35,128)	55,059	4,622,347	4,590,892	4,715,902	93,555
Workhouse	259,287	0	0	259,287	427,846	283,617	24,330
Juvenile Services	344,956	0	0	344,956	353,447	373,447	28,491
Rural Fire Protection	260,000	0	0	260,000	260,000	260,000	0
Civil Defense	159,943	0	1,430	161,373	137,898	189,626	28,253
Rescue Squad	22,500	0	0	22,500	22,500	22,500	0
County Coroner/Medical Examiner	152,647	0	0	152,647	96,000	159,360	6,713
Other Public Safety	865,162	0	0	865,162	901,100	896,096	30,934
<u>Public Health and Welfare</u>							
Local Health Center	583,837	(4,475)	2,000	581,362	658,217	708,600	127,238
Rabies and Animal Control	99,737	(1,175)	0	98,562	107,550	108,636	10,074
Alcohol and Drug Programs	2,000	0	0	2,000	2,000	2,000	0
Appropriation to State	82,378	0	0	82,378	82,378	82,378	0
General Welfare Assistance	8,606	0	0	8,606	8,606	8,606	0
Other Waste Disposal	45,692	0	0	45,692	67,453	67,453	21,761
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	211,652	0	0	211,652	215,000	215,000	3,348

(Continued)

Exhibit C-5

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Libraries	\$ 966,518	\$ (15,493)	\$ 15,463	\$ 966,488	\$ 972,515	\$ 976,423	\$ 9,935
Other Social, Cultural, and Recreational	25,166	0	0	25,166	0	25,369	203
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	215,247	0	1,000	216,247	230,695	230,695	14,448
Soil Conservation	68,647	0	0	68,647	89,833	89,833	21,186
<u>Other Operations</u>							
Industrial Development	258,914	0	0	258,914	258,914	258,914	0
Veterans' Services	13,679	0	0	13,679	14,365	15,365	1,686
Other Charges	1,312,714	(5,597)	1,000	1,308,117	935,900	1,328,076	19,959
Contributions to Other Agencies	14,450	0	0	14,450	14,450	15,773	1,323
Payments to Cities	31,500	0	0	31,500	31,500	31,500	0
Miscellaneous	12,860	(1,072)	0	11,788	0	60,000	48,212
Total Expenditures	\$ 19,275,950	\$ (85,295)	\$ 124,976	\$ 19,315,631	\$ 19,633,507	\$ 20,449,539	\$ 1,133,908
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 441,373	\$ 85,295	\$ (124,976)	\$ 401,692	\$ (430,670)	\$ (562,924)	\$ 964,616
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,450	\$ (1,450)
Insurance Recovery	0	0	0	0	0	13,259	(13,259)
Transfers Out	(136,702)	0	0	(136,702)	(136,038)	(136,703)	1
Total Other Financing Sources	\$ (136,702)	\$ 0	\$ 0	\$ (136,702)	\$ (136,038)	\$ (121,994)	\$ (14,708)
Net Change in Fund Balance							
Fund Balance, July 1, 2016	\$ 3,861,935	(85,295)	0	3,776,640	2,900,738	2,900,738	875,902
Fund Balance, June 30, 2017	\$ 4,166,606	\$ 0	\$ (124,976)	\$ 4,041,630	\$ 2,334,030	\$ 2,215,820	\$ 1,825,810

The notes to the financial statements are an integral part of this statement.

Exhibit D

Coffee County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,796,448
Equity in Pooled Cash and Investments	346,625
Accounts Receivable	6,617
Due from Other Governments	3,100,574
Property Taxes Receivable	8,890,050
Allowance for Uncollectible Property Taxes	<u>(251,011)</u>
Total Assets	<u>\$ 13,889,303</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 3,051
Cash Overdraft	68,500
Due to State of Tennessee	22
Due to Other Taxing Units	11,685,496
Due to Litigants, Heirs, and Others	1,864,520
Due to Joint Ventures	<u>267,714</u>
Total Liabilities	<u>\$ 13,889,303</u>

The notes to the financial statements are an integral part of this statement.

COFFEE COUNTY, TENNESSEE
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COFFEE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee County (the primary government) and its component units. The financial statements of the Coffee County Emergency Communications District, the Industrial Board of Coffee County, and the Coffee County Public Building Authority, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Coffee County School Department operates the public school system in the county, and the voters of Coffee County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Water and Wastewater Treatment Authority of Coffee County, Tennessee, was created by resolution of the Coffee County Commission as allowed by Section 68-221-601, *Tennessee Code Annotated*. The authority is governed by a five-member board, which includes four citizens and one member of the Coffee County Commission. The purpose of the authority is to oversee the operations of a sewer system that services the residents of the Wayside Acres Subdivision, and the financial transactions of the authority are maintained in

an enterprise fund, the Wayside Acres Sewer Fund, which is administered by the county's director of accounts and budgets on behalf of the authority. The authority is funded primarily by service charges levied on the residents of the subdivision that utilize the system. In prior years, the activity of the Wayside Acres Sewer Fund has been reflected as an enterprise fund of Coffee County.

The Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Coffee County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county. The financial statements of the Industrial Board of Coffee County were not material to the component units' opinion unit and therefore have been omitted from this report.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility. During the year ended June 30, 2017, the county's share of the losses of the conference center totaled \$258,352. The financial statements of the Coffee County Public Building Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Coffee County School Department and the Water and Wastewater Treatment Authority of Coffee County, Tennessee, do not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department and the Water and Wastewater Treatment Authority are included in this report as listed in the table of contents. Complete financial statements of the Coffee County Emergency Communications District, the Industrial Board of Coffee County, and the Public Building Authority of Coffee County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Public Building Authority of Coffee County
147 Hospitality Boulevard
Manchester, TN 37355

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Coffee County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Coffee County School Department and the Water and Wastewater Treatment Authority of Coffee County, Tennessee, component units, only report governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Coffee County issues all debt for the discretely presented Coffee County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2017.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Coffee County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. The primary government of Coffee County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. Fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Coffee County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which have no measurement focus. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Coffee County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Rural Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds issued for school projects outside the territorial limits of the Special School District.

Additionally, Coffee County reports the following fund types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The General Capital Projects Fund is used for general capital expenditures of the county. These include various construction projects and purchases of capital assets

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, the city school systems’ share of educational revenues, state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of

results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Coffee County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Coffee County School Department reports the following fund types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Coffee County and contributed to the School Department for building construction and renovations.

The discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, reports the following major proprietary fund:

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee's proprietary fund (enterprise fund) distinguishes operating revenues and expenses from nonoperating items. This fund is used to account for the operation of the sewer system servicing the Wayside Acres Subdivision. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include payments to vendors, administration expenses, and debt payments.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows for the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds, the discretely presented Coffee County School Department, and the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the Rural Debt Service and the General Purpose School funds. Coffee County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.64 percent of total taxes levied.

The Water and Wastewater Treatment Authority of Coffee County, Tennessee's accounts receivable for sewer services are shown without an allowance for uncollectibles. The authority does not provide an allowance for uncollectible accounts because of its ability to stop service for nonpaying customers.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable are discussed in Note V.A. Risk Management.

3. Inventories

Inventories of Coffee County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government, the discretely presented School Department, and the discretely presented Water and Wastewater Authority are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	3 - 40

5. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, changes in investment earnings, changes in proportionate share of contributions, employer contributions made to the pension plan after the measurement date, and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

1. Compensated Absences

The general policy of Coffee County allows employees to accumulate a limited number of unused vacation days; however, the unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. The remaining unused vacation days are paid to employees when they separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees hired prior to July 1, 2014, are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. County employees hired after July 1, 2014, are allowed to accumulate up to 960 hours of sick leave (1,250 for Ambulance and EMS employees). Following five continuous years of service, employees are eligible to receive a percentage of their accumulated sick leave upon termination of employment. The percentages begin at 25 percent after year five and cap at 50 percent after year ten. Because no employees can be vested in this program until July 1, 2019, sick leave is not required to be accrued or recorded during the current year.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff are allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All

professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

2. Long-term Obligations

In the government-wide financial statements and the Water and Wastewater Treatment Authority's proprietary fund in the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, claims and judgments, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

3. Net Position and Fund Balance

In the government-wide financial statements and the Water and Wastewater Treatment Authority's proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages,

notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2017, Coffee County had \$50,993,514 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-

making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

4. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – four percent of current-year appropriations.

Debt Service Funds – an amount equal to debt requirements for the first six months of the subsequent fiscal year.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Coffee County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Coffee County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Coffee County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Coffee County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Coffee County School Department

Exhibit I-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees (special revenue fund), which is not budgeted, and the capital projects funds (except for the General Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2017, Coffee County and the Coffee County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Funds:		
General	Jail Food and Non-Food Supplies	\$ 35,000
Nonmajor Funds:		
Solid Waste/Sanitation	Garbage Truck	230,820
Drug Control	Motor Vehicles	45,392
"	Law Enforcement Equipment	33,842
Highway/Public Works	Asphalt	32,554
"	Road Project	374,630
General Capital Projects	Motor Vehicles	79,500
"	School Buses	402,263
"	Roofing	99,873
"	Technology	125,925
"		
School Department:		
Major Fund:		
General Purpose School	Computers	68,092
"	Paving	62,389

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Coffee County, the discretely presented Coffee County School Department, and the discretely presented Water and Wastewater Treatment Authority participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are

pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled or nonpooled investments as of June 30, 2017.

B. Notes Receivable

Notes receivable in the Rural Debt Service Fund resulted from a note issued by Coffee County to the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, to refund the authority's outstanding debt. The amount of the notes that is not expected to be collected within one year is \$252,731 and is reflected in the financial statements of the Rural Debt Service Fund as restricted fund equity.

C. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 4,060,649	\$ 44,400	\$ 0	\$ 4,105,049
Total Capital Assets Not Depreciated	\$ 4,060,649	\$ 44,400	\$ 0	\$ 4,105,049
Capital Assets Depreciated:				
Buildings and Improvements	\$ 39,493,929	\$ 712,878	\$ 0	\$ 40,206,807
Infrastructure	15,767,746	723,059	0	16,490,805
Other Capital Assets	8,496,547	451,542	(139,646)	8,808,443
Total Capital Assets Depreciated	\$ 63,758,222	\$ 1,887,479	\$ (139,646)	\$ 65,506,055
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,471,396	\$ 790,721	\$ 0	\$ 10,262,117
Infrastructure	8,945,415	549,202	0	9,494,617
Other Capital Assets	5,358,613	587,023	(105,217)	5,840,419
Total Accumulated Depreciation	\$ 23,775,424	\$ 1,926,946	\$ (105,217)	\$ 25,597,153
Total Capital Assets Depreciated, Net	\$ 39,982,798	\$ (39,467)	\$ (34,429)	\$ 39,908,902
Governmental Activities Capital Assets, Net	\$ 44,043,447	\$ 4,933	\$ (34,429)	\$ 44,013,951

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 348,834
Finance	6,146
Administration of Justice	4,735
Public Safety	692,797
Public Health and Welfare	162,249
Social, Cultural, and Recreational	74,957
Highways/Public Works	637,228
Total Depreciation Expense - Governmental Activities	\$ 1,926,946

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 1,438,853	\$ 0	\$ 0	\$ 1,438,853
Construction in Progress	13,053	0	0	13,053
Total Capital Assets Not Depreciated	<u>\$ 1,451,906</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,451,906</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,114,518	\$ 0	\$ (99,392)	\$ 60,015,126
Other Capital Assets	5,518,608	484,800	(48,194)	5,955,214
Total Capital Assets Depreciated	<u>\$ 65,633,126</u>	<u>\$ 484,800</u>	<u>\$ (147,586)</u>	<u>\$ 65,970,340</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 12,150,352	\$ 1,238,044	\$ (47,212)	\$ 13,341,184
Other Capital Assets	2,513,799	298,974	(48,194)	2,764,579
Total Accumulated Depreciation	<u>\$ 14,664,151</u>	<u>\$ 1,537,018</u>	<u>\$ (95,406)</u>	<u>\$ 16,105,763</u>
Total Capital Assets Depreciated, Net	<u>\$ 50,968,975</u>	<u>\$ (1,052,218)</u>	<u>\$ (52,180)</u>	<u>\$ 49,864,577</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 52,420,881</u></u>	<u><u>\$ (1,052,218)</u></u>	<u><u>\$ (52,180)</u></u>	<u><u>\$ 51,316,483</u></u>

Depreciation expense was charged to functions of the School Department as follows:

Governmental Activities:

Instruction	\$ 1,281,620
Support Services	222,579
Operation of Non-instructional Services	<u>32,819</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,537,018</u></u>

**Discretely Presented Water and Wastewater Treatment Authority of
Coffee County, Tennessee**

Business-type Activities:

	Balance 7-1-16	Increases	Balance 6-30-17
Capital Assets Not Depreciated:			
Land	\$ 30,120	\$ 0	\$ 30,120
Total Capital Assets Not Depreciated	\$ 30,120	\$ 0	\$ 30,120
Capital Assets Depreciated:			
Infrastructure	\$ 673,775	\$ 20,500	\$ 694,275
Total Capital Assets Depreciated	\$ 673,775	\$ 20,500	\$ 694,275
Less Accumulated Depreciation For:			
Infrastructure	\$ 224,451	\$ 27,233	\$ 251,684
Total Accumulated Depreciation	\$ 224,451	\$ 27,233	\$ 251,684
Total Capital Assets Depreciated, Net	\$ 449,324	\$ (6,733)	\$ 442,591
Business-type Activities Capital Assets, Net	\$ 479,444	\$ (6,733)	\$ 472,711

The authority had no decreases in capital assets during the year ended June 30, 2017.

Depreciation expense totaled \$27,233 for the year ended June 30, 2017.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 170,766
Nonmajor governmental	General	45,692
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	680

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			Purpose
	Rural Debt Service Fund	Nonmajor Governmental Fund	General Debt Service Fund	
General Fund	\$ 136,702	\$ 0	\$ 0	Federal subsidy
Rural Debt Service Fund	0	768,000	0	School purchases
Nonmajor governmental fund	0	0	607,991	Debt retirement
Total	\$ 136,702	\$ 768,000	\$ 607,991	

Discretely Presented Coffee County School Department

Transfer Out	Transfer In	Purpose
	General Purpose School Fund	
Nonmajor governmental fund	\$ 27,039	Indirect Costs

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Coffee County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, notes, and other loans outstanding were issued for original terms of up to 38 years for bonds, six years for notes, and up to 18 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. General obligation bonds included in long-term debt as of June 30, 2017, will be retired from the General Debt Service and Rural Debt Service funds. Notes included in long-term debt will be retired from the General Debt Service, Highway/Public Works, and Rural Debt Service funds. Other loans included in long-term debt will be retired from the Rural Debt Service Fund.

General obligation bonds, notes, and other loans outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	2 to 7.15	%	8-28-52	\$ 57,590,000	\$ 55,018,670
General Obligation Bonds -					
Refunding	2.253 to 2.487		6-1-39	11,330,000	10,595,000
Notes	1.99 to 2.30		4-1-20	1,825,000	699,000
Other Loans	0 to 4.75		7-1-27	11,127,000	7,463,514

On December 10, 2008, Coffee County entered into a loan agreement with the Tennessee Local Government Alternative Loan Program. Under this agreement, the program loaned \$7,600,000 to Coffee County at an interest rate of 4.75 percent for school construction projects and agreed to refinance the outstanding balance of debt issued in prior years.

On October 7, 2010, Coffee County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Coffee County \$3,027,000 from Qualified School Construction Bonds, Series 2010 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,422 under this agreement. The loan retirement schedule also includes equal monthly payments of interest of approximately 4.85 percent, which is offset by a federal interest rate subsidy.

On July 26, 2011, Coffee County entered into a loan agreement with the state Department of Economic and Community Development to provide energy efficiency improvements in the county's schools. Under this agreement, the state loaned the county \$500,000 at an interest rate of zero percent.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2017, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 1,573,097	\$ 2,817,709	\$ 4,390,806
2019	1,599,377	2,779,929	4,379,306
2020	1,645,857	2,741,849	4,387,706
2021	1,647,541	2,702,465	4,350,006
2022	1,159,438	2,662,318	3,821,756
2023-2027	8,173,531	12,763,737	20,937,268
2028-2032	12,431,851	11,135,013	23,566,864
2033-2037	13,135,353	8,869,484	22,004,837
2038-2042	14,579,977	5,544,611	20,124,588
2043-2047	7,741,098	1,218,130	8,959,228
2048-2052	1,863,379	233,452	2,096,831
2053	63,171	347	63,518
Total	\$ 65,613,670	\$ 53,469,044	\$ 119,082,714

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 349,000	\$ 14,032	\$ 363,032
2019	210,000	8,124	218,124
2020	140,000	2,786	142,786
Total	\$ 699,000	\$ 24,942	\$ 723,942

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2018	713,884	399,547	1,113,431
2019	753,884	379,359	1,133,243
2020	773,884	356,442	1,130,326
2021	838,884	332,099	1,170,983
2022	838,884	304,499	1,143,383
2023-2027	3,526,288	1,064,495	4,590,783
2028	17,806	73,373	91,179
Total	\$ 7,463,514	\$ 2,909,814	\$ 10,373,328

There is \$7,297,179 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$1,243, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$1,405 based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Bonds		Notes		Other Loans	
Balance, July 1, 2016	\$	68,255,513	\$	1,091,000	\$	8,167,398
Additions		8,765,000		0		0
Reductions		(11,406,843)		(392,000)		(703,884)
Balance, June 30, 2017	\$	65,613,670	\$	699,000	\$	7,463,514
Balance Due Within One Year	\$	1,573,097	\$	349,000	\$	713,884

	Compensated Absences		Other Postemployment Benefits	
Balance, July 1, 2016	\$	776,373	\$	645,262
Additions		801,069		75,902
Reductions		(801,765)		(200,164)
Balance, June 30, 2017	\$	775,677	\$	521,000
Balance Due Within One Year	\$	38,785	\$	0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 75,072,861
Less: Balance Due Within One Year	(2,674,766)
Add: Unamortized Premium on Debt	<u>399,985</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 72,798,080</u></u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Current Refunding

On October 5, 2016, Coffee County advance refunded a previous loan issue with a separate general obligation bond issue. The county issued \$8,765,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded loan is considered retired, and the liability has been removed from the county's long-term debt. As a result of this refunding, total debt service payments over the next 22 years will be reduced by \$3,150,868, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) of \$1,172,015 was obtained.

Discretely Presented Coffee County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Coffee County School Department for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2016	\$ 111,706	\$ 5,672,375
Additions	75,887	1,097,146
Reductions	<u>(64,905)</u>	<u>(742,361)</u>
Balance, June 30, 2017	<u>\$ 122,688</u>	<u>\$ 6,027,160</u>
Balance Due Within One Year	<u><u>\$ 49,074</u></u>	<u><u>\$ 0</u></u>

	Net Pension Liability
Balance, July 1, 2016	\$ 182,967
Additions	4,108,954
Reductions	(1,472,311)
Balance, June 30, 2017	\$ 2,819,610
Balance Due Within One Year	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 8,969,458
Less: Balance Due Within One Year	(49,074)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 8,920,384

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee

On November 8, 2016, Coffee County issued a note from its Rural Debt Service Fund to the Water and Wastewater Treatment Authority of Coffee County, Tennessee. The purpose of this note was to refund the outstanding debt of the authority.

Notes issued are direct obligations of the authority and are to be retired by the authority. The note was issued for a term of 10 years and for an interest rate of zero percent. Repayment terms for this note call for the authority to make equal monthly installments to the county's Rural Debt Service Fund over the period of the debt with the first payment due in July 2017.

Notes outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
Notes	0	% 6-15-27	\$ 280,819	\$ 280,819

The annual requirements to amortize all notes outstanding as of June 30, 2017, are presented in the following table:

Year Ending June 30	Notes	
	Principal	Total
2018	\$ 28,088	\$ 28,088
2019	28,081	28,081
2020	28,082	28,082
2021	28,081	28,081
2022	28,081	28,081
2023-2027	140,406	140,406
Total	\$ 280,819	\$ 280,819

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, for the year ended June 30, 2017, was as follows:

	Notes
Balance, July 1, 2016	\$ 0
Additions	280,819
Reductions	0
Balance, June 30, 2017	\$ 280,819
Balance Due Within One Year	\$ 28,088

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 280,819
Less: Balance Due Within One Year	(28,088)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 252,731

F. On-Behalf Payments

Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2017, were

\$186,228 and \$39,025, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

The county issued revenue anticipation notes in advance of collections and deposited the proceeds in the General and General Purpose School funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2017, was as follows:

<u>Fund</u>	<u>Balance 7-1-16</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance 6-30-17</u>
Primary Government:				
General	\$ 0	\$ 1,325,058	\$ (1,325,058)	\$ 0
School Department:				
General Purpose School	0	2,100,000	(2,100,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Coffee County's policy (except for the Highway Department and Ambulance Service) is to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, and environmental. Settled claims have not exceeded this commercial coverage in any of the past two fiscal years.

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Coffee County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Coffee County School Department

The discretely presented Coffee County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an

exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

		Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2015-16	\$	237,278	\$ 133,217	\$ 370,495	0
2016-17		0	308,302	293,309	14,993

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit

corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. These standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Contingent Liabilities

A former employee of Coffee County received a judgment against the county totaling \$600,000 for wrongful termination. This judgment has been appealed by the county; however, if the appellate court upholds the judgment, attorneys for the county advised that the county's insurance will likely not cover the amount awarded.

The county is also involved in several other pending lawsuits. Attorneys for the county estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Changes in Administration

On August 31, 2016, Jimmy White left the Office of Assessor of Property and was succeeded by Beverly Robertson.

E. Joint Ventures

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2017.

Coffee County is a participant with Warren, Cannon, and Rutherford counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements reflected in Rutherford County's comprehensive annual financial report.

Coffee County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the DTF and the Municipal Solid Waste Planning Region can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

Municipal Solid Waste Planning Region
c/o Ernest Burgess, Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, TN 37130

Discretely Presented Coffee County School Department

The Coffee County School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to offer these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative
220 McLemore Street
Dickson, TN 37055

F. Jointly Governed Organization

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees hired before July 1, 2014, of Coffee County, non-certified employees of the discretely presented Coffee County School Department, the discretely presented Public Building Authority of Coffee County, and the discretely presented Industrial Development Board of Coffee County are provided a defined benefit pension plan (Coffee County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 66.90 percent, the non-certified employees of the discretely presented School Department comprised 31.30 percent, employees of the discretely presented Public Building Authority of Coffee County comprised .93 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprised .87 percent, of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	206
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	351
Active Employees	395
Total	<u>952</u>

Coffee County withdrew from the TCRS Coffee County Plan effective July 1, 2014. Employees hired after the date of withdrawal are not eligible to participate in the Coffee County Plan. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Coffee County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, the employer contribution for Coffee County was \$734,075 based on a rate of 6.61 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Coffee County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Coffee County's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.50%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three

techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	6.46	%	33	%
Developed Market				
International Equity	6.26		17	
Emerging Market				
International Equity	6.40		5	
Private Equity and				
Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Coffee County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of

current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 38,080,754	\$ 40,745,203	\$ (2,664,449)
Changes for the year:			
Service Cost	\$ 1,081,961	\$ 0	\$ 1,081,961
Interest	2,877,607	0	2,877,607
Differences Between Expected and Actual Experience	(706,040)	0	(706,040)
Contributions-Employer	0	1,035,664	(1,035,664)
Contributions-Employees	0	590,953	(590,953)
Net Investment Income	0	1,083,599	(1,083,599)
Benefit Payments, Including Refunds of Employee Contributions	(1,589,244)	(1,589,244)	0
Administrative Expense	0	(30,436)	30,436
Other Changes	0	9,122	(9,122)
Net Changes	\$ 1,664,284	\$ 1,099,658	\$ 564,626
Balance, June 30, 2016	\$ 39,745,038	\$ 41,844,861	\$ (2,099,823)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	66.90%	\$ 26,589,430	\$ 27,994,212	\$ (1,404,782)
IDB	0.93%	369,629	389,157	(19,528)
PBA	0.87%	345,782	364,050	(18,268)
School Department	31.30%	12,440,197	13,097,441	(657,245)
Total		\$ 39,745,038	\$ 41,844,861	\$ (2,099,823)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Coffee County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Coffee County			
Net Pension Liability	\$ 2,908,704	\$ (2,099,823)	\$ (6,291,168)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2017, Coffee County recognized pension expense of \$68,273.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, Coffee County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,342,908
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,407,881	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	734,075	N/A
Total	<u>\$ 2,141,956</u>	<u>\$ 1,342,908</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and Deferred Inflows of Resources

		Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	66.90%	\$ 1,432,969	\$ 898,405
IDB	0.93%	19,920	12,489
PBA	0.87%	18,635	11,683
School Department	31.30%	670,432	420,330
Total		<u>\$ 2,141,956</u>	<u>\$ 1,342,908</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (265,164)
2019	(265,164)
2020	341,929
2021	253,371
2022	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2017, Coffee County reported a payable of \$17,608 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2017.

Discretely Presented Coffee County School Department

Non-certified Employees

General Information About the Pension Plans

Plan Description – Coffee County Legacy Plan. As noted above under the primary government, employees of Coffee County, non-certified employees of the discretely presented Coffee County School Department, employees of the discretely presented Public Building Authority of Coffee County, and the employees of the discretely presented Industrial Development Board of Coffee County are provided a defined benefit pension plan (Coffee County Legacy Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 66.90 percent, the non-certified employees of the discretely presented School Department comprised 31.30 percent, employees of the discretely presented Public Building Authority of Coffee County comprised .93 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprised .87 percent, of the plan based on contribution data.

Coffee County withdrew from the Coffee County Legacy Plan effective July 1, 2014. Employees of Coffee County, employees of the discretely presented Public Building Authority of Coffee County, and the employees of the discretely presented Industrial Development Board of Coffee County hired after the date of withdrawal are not eligible to participate in the TCRS Coffee County Legacy Plan. Employees active as of the withdrawal date will continue to accrue salary and services

credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

Plan Description – Coffee County Schools Hybrid Plan. Non-certified employees of the discretely presented Coffee County School Department hired after July 1, 2014, are provided a defined benefit pension plan (Coffee County Schools Hybrid Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related and non-service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	4
Active Employees	53
Total	<u><u>57</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The School Department makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Coffee County Schools Hybrid Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Coffee County Schools Hybrid Plan were \$36,592, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The School Department's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.50%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Coffee County Schools Hybrid Plan will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 0	\$ 0	\$ 0
Changes for the Year:			
Service Cost	\$ 48,148	\$ 0	\$ 48,148
Interest	3,611	0	3,611
Differences Between Expected and Actual Experience	2,833	0	2,833
Contributions-Employer	0	27,681	(27,681)
Contributions-Employees	0	34,601	(34,601)
Net Investment Income	0	799	(799)
Benefit Payments, Including Refunds of Employee Contributions	0	0	0
Administrative Expense	0	(3,472)	3,472
Other Changes	0	0	0
Net Changes	\$ 54,592	\$ 59,609	\$ (5,017)
Balance, June 30, 2016	\$ 54,592	\$ 59,609	\$ (5,017)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the School Department calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Coffee County Schools Hybrid Plan			
Net Pension Liability	\$ 8,530	\$ (5,017)	\$ (15,430)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2017, the Coffee County Schools Hybrid Plan recognized pension expense of \$18,964.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Coffee County Schools Hybrid Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,575	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,125	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	36,592	N/A
Total	<u>\$ 40,292</u>	<u>\$ 0</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 539
2019	539
2020	539
2021	539
2022	258
Thereafter	1,290

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Coffee County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$96,794, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2017, the Coffee County School Department reported an asset of \$47,525 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Coffee County School Department's proportion of the net pension asset was based on the Coffee County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Coffee County School Department's proportion was .456517 percent. The revised proportion measured at June 30, 2015, was .46306 percent.

Pension Expense. For the year ended June 30, 2017, the Coffee County School Department recognized pension expense of \$39,804.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Coffee County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 4,605	\$ 5,479
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,781	0
Changes in proportion of Net Pension Liability (Asset)	183	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	96,794	N/A
Total	<u>\$ 109,363</u>	<u>\$ 5,479</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

The Coffee County School Department’s employer contributions of \$96,794, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 1,939
2019	1,939
2020	1,939
2021	1,586
2022	(99)
Thereafter	(196)

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market		
International Equity	6.26	17
Emerging Market		
International Equity	6.40	5
Private Equity and		
Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Coffee County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Coffee County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability	\$	22,442	\$	(47,525)	\$	(99,076)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Coffee County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living

adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Coffee County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$1,469,774, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2017, the Coffee County School Department reported a liability of \$2,819,610 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Coffee County School Department's proportion of the net pension liability was based on the Coffee County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Coffee County School Department's proportion was .451178 percent. The proportion measured at June 30, 2015, was .446654 percent.

Pension Expense or Negative Pension Expense. For the year ended June 30, 2017, the Coffee County School Department recognized pension expense of \$308,509.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Coffee County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 118,659	\$ 3,416,613
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,148,133	0
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	34,311	122,567
Changes in Proportion on Net Pension Liability (Asset)		
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	1,469,774	N/A
Total	<u>\$ 4,770,877</u>	<u>\$ 3,539,180</u>

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2016," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

The Coffee County School Department's employer contributions of \$1,469,774 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (551,375)
2019	(551,375)
2020	958,782
2021	124,475
2022	(215,586)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of

capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46	33
Developed Market		
International Equity	6.26	17
Emerging Market		
International Equity	6.40	5
Private Equity and		
Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Coffee County School Department's proportionate share of the net pension

liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Coffee County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability	\$ 15,482,962	\$ 2,819,610	\$ (7,610,140)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. **Deferred Compensation**

Teachers hired after July 1, 2014, by the discretely presented Coffee County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Coffee County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Coffee County School Department contributed \$77,375 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

Coffee County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 401(k), and the other pursuant to IRC Section 408(a), Roth IRA. All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 408(a) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 408(a) establish participation, contribution, and withdrawal provisions for the plans.

H. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the School Department participate in the state-administered Local Education Group Insurance Plan, Local Government Group Insurance Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <https://www.tn.gov/finance/fa/fa-accounting-financial/fa-accfin-cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2017, the county and the School Department contributed \$15,913 and \$742,361, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 76,000	\$ 1,098,000
Interest on the NOPEBO	24,197	212,714
Adjustment to the ARC	(24,295)	(213,568)
Annual OPEB cost	\$ 75,902	\$ 1,097,146
Adjustment to Align ARC with AAL	(184,251)	0
Amount of contribution	(15,913)	(742,361)
Increase/decrease in NOPEBO	\$ (124,262)	\$ 354,785
Net OPEB obligation, 7-1-16	645,262	5,672,375
Net OPEB obligation, 6-30-17	\$ 521,000	\$ 6,027,160

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Government Group	\$ 44,573	47 %	\$ 580,108
6-30-16	"	75,915	14	645,262
6-30-17	"	75,902	21	521,000
6-30-15	Local Education Group	1,097,040	54	5,397,204
6-30-16	"	1,097,187	75	5,672,375
6-30-17	"	1,097,146	68	6,027,160

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 521,000	\$ 9,501,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 521,000	\$ 9,501,000
Actuarial value of assets as a % of the AAL	0%	0
Covered payroll (active plan members)	\$ 8,555,682	\$ 21,510,569
UAAL as a % of covered payroll	6%	44%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2015, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

I. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Coffee County operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting, Budgeting, and Purchasing similar to that created by the adoption of the County Fiscal Procedure Law of 1957.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding \$10,000 to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

Purchasing procedures for the discretely presented Coffee County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

Coffee County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 1,124,029	\$ 1,074,064	\$ 1,081,961
Interest	2,652,435	2,713,685	2,877,607
Differences Between Actual and Expected Experience	(1,472,065)	(70,073)	(706,040)
Benefit Payments, Including Refunds of Employee Contributions	(1,384,888)	(1,490,656)	(1,589,244)
Net Change in Total Pension Liability	\$ 919,511	\$ 2,227,020	\$ 1,664,284
Total Pension Liability, Beginning	\$ 34,934,223	\$ 35,853,734	\$ 38,080,754
Total Pension Liability, Ending (a)	\$ 35,853,734	\$ 38,080,754	\$ 39,745,038
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,094,055	\$ 1,110,181	\$ 1,035,664
Contributions - Employee	644,561	673,024	590,953
Net Investment Income	5,551,086	1,215,059	1,083,599
Benefit Payments, Including Refunds of Employee Contributions	(1,384,888)	(1,490,656)	(1,589,244)
Administrative Expense	(18,439)	(22,769)	(30,436)
Other	0	0	9,122
Net Change in Plan Fiduciary Net Position	\$ 5,886,375	\$ 1,484,839	\$ 1,099,658
Plan Fiduciary Net Position, Beginning	33,373,989	39,260,364	40,745,203
Plan Fiduciary Net Position, Ending (b)	\$ 39,260,364	\$ 40,745,203	\$ 41,844,861
Net Pension Liability (Asset), Ending (a - b)	\$ (3,406,630)	\$ (2,664,449)	\$ (2,099,823)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.50%	107.00%	105.28%
Covered Payroll	\$ 12,841,020	\$ 12,644,430	\$ 11,861,811
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(26.53)%	(21.07)%	(17.70)%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-2

Coffee County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Discretely Presented Coffee County School Department
Last Fiscal Year Ending June 30

	<u>2016</u>
Total Pension Liability	
Service Cost	\$ 48,148
Interest	3,611
Differences Between Actual and Expected Experience	<u>2,833</u>
Net Change in Total Pension Liability	\$ 54,592
Total Pension Liability, Beginning	<u>\$ 0</u>
 Total Pension Liability, Ending (a)	 <u>\$ 54,592</u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 27,681
Contributions - Employee	34,601
Net Investment Income	799
Administrative Expense	<u>(3,472)</u>
Net Change in Plan Fiduciary Net Position	\$ 59,609
Plan Fiduciary Net Position, Beginning	<u>0</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 59,609</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u><u>\$ (5,017)</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 109.19%
Covered Payroll	\$ 706,728
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(.71)%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and
non-certified employees of the discretely presented School Department.

Exhibit E-3

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,094,055	\$ 1,110,181	\$ 1,035,664	\$ 734,075
Less Contributions in Relation to the Actuarially Determined Contribution	(1,094,055)	(1,110,181)	(1,035,664)	(734,075)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 12,841,020	\$ 12,644,430	\$ 11,861,811	\$ 11,108,079
Contributions as a Percentage of Covered Payroll	8.52%	8.78%	8.73%	6.61%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit E-4

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Discretely Presented Coffee County School Department
Last Fiscal Year Ending June 30

	<u>2016</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 27,681	\$ 36,592
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(27,681)</u>	<u>(36,592)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 706,728	\$ 917,172
Contributions as a Percentage of Covered Payroll	3.92%	4.00%

Note: ten years of data will be presented when available.

Note: data presented includes non-certified employees of the discretely presented School Department.

Exhibit E-5

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Pension Plan of TCRS
Discretely Presented Coffee County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017
Contractually Required Contribution	\$ 39,296	\$ 80,348	\$ 96,794
Less Contributions in Relation to the Contractually Required Contribution	(39,296)	(80,348)	(96,794)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 982,381	\$ 2,008,688	\$ 2,416,877
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%

Note: ten years of data will be presented when available.

Exhibit E-6

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Coffee County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Contractually Required Contribution	\$ 1,588,162	\$ 1,511,533	\$ 1,472,309	\$ 1,469,774
Less Contributions in Relation to the Contractually Required Contribution	(1,588,162)	(1,511,533)	(1,472,309)	(1,469,774)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,884,707	\$ 16,720,786	\$ 16,286,625	\$ 16,258,581
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

Note: ten years of data will be presented when available.

Exhibit E-7

Coffee County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Pension Plan of TCRS
Discretely Presented Coffee County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.463058%	0.456517%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (19,021)	\$ (47,525)
Covered Payroll	\$ 982,381	\$ 2,008,688
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-8

Coffee County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Coffee County School Department
For the Fiscal Year Ended June 30 *

	2015	2016	2017
School Department's Proportion of the Net Pension Liability/Asset	0.455662%	0.446654%	0.451178%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (74,043) \$	182,965 \$	2,819,610
Covered Payroll	\$ 17,884,707 \$	16,720,786 \$	16,286,625
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-9

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Coffee County School Department
June 30, 2017

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Government Group	7-1-11	\$ 0	\$ 730	\$ 730	0	% \$ 7,409	10
"	7-1-13	0	304	304	0	8,945	3
"	7-1-15	0	521	521	0	8,556	6
Local Education Group	7-1-11	0	9,495	9,495	0	22,108	43
"	7-1-13	0	9,030	9,030	0	19,997	45
"	7-1-15	0	9,501	9,501	0	21,511	44

COFFEE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.5%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions relating to the disposal of solid waste.

Ambulance Service Fund – The Ambulance Service Fund is used to account for the transactions of the county's Ambulance Service.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county's Highway Department.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

General Capital Projects Fund – The General Capital Projects Fund is used for general capital expenditures of the county. These include various construction projects and purchases of capital assets.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Coffee County that is subsequently contributed to the discretely presented Coffee County School Department for construction and renovation projects.

Exhibit F-1

Coffee County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees
<u>ASSETS</u>					
Cash	\$ 0	\$ 158,064	\$ 0	\$ 0	\$ 155,296
Equity in Pooled Cash and Investments	1,546,671	263,347	630,423	659,659	0
Accounts Receivable	62,379	934,817	0	0	15,470
Allowance for Uncollectibles	0	(538,363)	0	0	0
Due from Other Governments	47,936	0	0	0	0
Due from Other Funds	45,692	0	0	0	0
Property Taxes Receivable	948,609	654,714	199,085	0	0
Allowance for Uncollectible Property Taxes	(57,666)	(17,050)	(42,246)	0	0
Total Assets	<u>\$ 2,593,621</u>	<u>\$ 1,455,529</u>	<u>\$ 787,262</u>	<u>\$ 659,659</u>	<u>\$ 170,766</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 51,895	\$ 2,486	\$ 0	\$ 0	\$ 0
Payroll Deductions Payable	4,714	17,048	0	0	0
Due to Other Funds	0	0	0	0	170,766
Due to State of Tennessee	414	354	0	0	0
Total Liabilities	<u>\$ 57,023</u>	<u>\$ 19,888</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 170,766</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 841,329	\$ 624,289	\$ 154,133	\$ 0	\$ 0
Deferred Delinquent Property Taxes	48,983	12,544	2,706	0	0
Other Deferred/Unavailable Revenue	30,189	375,805	0	0	0
Total Deferred Inflows of Resources	<u>\$ 920,501</u>	<u>\$ 1,012,638</u>	<u>\$ 156,839</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit F-1

Coffee County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 557,249	\$ 0
Restricted for Public Health and Welfare	1,384,732	402,727	0	0	0
Restricted for Other Operations	0	0	630,423	0	0
Restricted for Highways/Public Works	0	0	0	0	0
Restricted for Education	0	0	0	0	0
Restricted for Capital Outlay	0	0	0	0	0
Assigned:					
Assigned for Public Safety	0	0	0	102,410	0
Assigned for Public Health and Welfare	231,365	20,276	0	0	0
Assigned for Social, Cultural, and Recreational Services	0	0	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0
Assigned for Education	0	0	0	0	0
Total Fund Balances	<u>\$ 1,616,097</u>	<u>\$ 423,003</u>	<u>\$ 630,423</u>	<u>\$ 659,659</u>	<u>\$ 0</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,593,621</u>	<u>\$ 1,455,529</u>	<u>\$ 787,262</u>	<u>\$ 659,659</u>	<u>\$ 170,766</u>

(Continued)

Exhibit F-1

Coffee County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
<u>ASSETS</u>				
Cash	\$ 0	\$ 313,360	\$ 0	\$ 313,360
Equity in Pooled Cash and Investments	894,560	3,994,660	2,231,711	6,226,371
Accounts Receivable	0	1,012,666	0	1,012,666
Allowance for Uncollectibles	0	(538,363)	0	(538,363)
Due from Other Governments	357,585	405,521	569,700	975,221
Due from Other Funds	0	45,692	0	45,692
Property Taxes Receivable	0	1,802,408	370,757	2,173,165
Allowance for Uncollectible Property Taxes	0	(116,962)	(69,972)	(186,934)
Total Assets	\$ 1,252,145	\$ 6,918,982	\$ 3,102,196	\$ 10,021,178
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,086	\$ 58,467	\$ 28,000	\$ 86,467
Payroll Deductions Payable	6,790	28,552	0	28,552
Due to Other Funds	0	170,766	0	170,766
Due to State of Tennessee	0	768	0	768
Total Liabilities	\$ 10,876	\$ 258,553	\$ 28,000	\$ 286,553
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 1,619,751	\$ 290,621	\$ 1,910,372
Deferred Delinquent Property Taxes	0	64,233	9,246	73,479
Other Deferred/Unavailable Revenue	179,624	585,618	544,973	1,130,591
Total Deferred Inflows of Resources	\$ 179,624	\$ 2,269,602	\$ 844,840	\$ 3,114,442

(Continued)

Exhibit F-1

Coffee County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

FUND BALANCES

Restricted:

Restricted for Public Safety

Restricted for Public Health and Welfare

Restricted for Other Operations

Restricted for Highways/Public Works

Restricted for Education

Restricted for Capital Outlay

Assigned:

Assigned for Public Safety

Assigned for Public Health and Welfare

Assigned for Social, Cultural, and Recreational Services

Assigned for Highways/Public Works

Assigned for Education

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
Highway / Public Works	Total	General Capital Projects	
\$ 0	\$ 557,249	\$ 0	\$ 557,249
0	1,787,459	0	1,787,459
0	630,423	0	630,423
607,336	607,336	0	607,336
0	0	40,938	40,938
0	0	1,459,816	1,459,816
0	102,410	79,500	181,910
0	251,641	125,925	377,566
0	0	99,873	99,873
454,309	454,309	0	454,309
0	0	423,304	423,304
<u>\$ 1,061,645</u>	<u>\$ 4,390,827</u>	<u>\$ 2,229,356</u>	<u>\$ 6,620,183</u>
<u>\$ 1,252,145</u>	<u>\$ 6,918,982</u>	<u>\$ 3,102,196</u>	<u>\$ 10,021,178</u>

Exhibit F-2

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works	Total
<u>Revenues</u>						
Local Taxes	\$ 1,203,562	\$ 520,524	\$ 178,127	\$ 0	\$ 37,335	\$ 1,939,548
Licenses and Permits	7,356	2,500	0	0	0	9,856
Fines, Forfeitures, and Penalties	0	0	0	323,868	0	323,868
Charges for Current Services	142,656	1,748,873	0	0	0	1,891,529
Other Local Revenues	61,352	808	0	12,509	2,830	77,499
State of Tennessee	42,604	0	0	0	2,750,443	2,793,047
Federal Government	0	0	0	0	0	0
Total Revenues	\$ 1,457,530	\$ 2,272,705	\$ 178,127	\$ 336,377	\$ 2,790,608	\$ 7,035,347
<u>Expenditures</u>						
Current:						
Public Safety	\$ 0	\$ 0	\$ 0	\$ 305,635	\$ 0	\$ 305,635
Public Health and Welfare	1,397,586	2,330,597	0	0	0	3,728,183
Other Operations	21,005	0	93,379	0	0	114,384
Highways	0	0	0	0	2,571,175	2,571,175
Debt Service:						
Principal on Debt	0	0	0	0	87,000	87,000
Interest on Debt	0	0	0	0	2,518	2,518
Capital Projects	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 1,418,591	\$ 2,330,597	\$ 93,379	\$ 305,635	\$ 2,660,693	\$ 6,808,895

(Continued)

Exhibit F-2

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works	Total
Excess (Deficiency) of Revenues Over Expenditures	\$ 38,939	\$ (57,892)	\$ 84,748	\$ 30,742	\$ 129,915	\$ 226,452
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 27,521	\$ 0	\$ 27,521
Insurance Recovery	1,320	0	0	18,038	0	19,358
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 1,320	\$ 0	\$ 0	\$ 45,559	\$ 0	\$ 46,879
Net Change in Fund Balances	\$ 40,259	\$ (57,892)	\$ 84,748	\$ 76,301	\$ 129,915	\$ 273,331
Fund Balance, July 1, 2016	1,575,838	480,895	545,675	583,358	931,730	4,117,496
Fund Balance, June 30, 2017	\$ 1,616,097	\$ 423,003	\$ 630,423	\$ 659,659	\$ 1,061,645	\$ 4,390,827

(Continued)

Exhibit F-2

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Education Capital Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 628,981	\$ 0	\$ 628,981	\$ 2,568,529
Licenses and Permits	0	0	0	9,856
Fines, Forfeitures, and Penalties	0	0	0	323,868
Charges for Current Services	0	0	0	1,891,529
Other Local Revenues	328,000	8,776	336,776	414,275
State of Tennessee	0	0	0	2,793,047
Federal Government	2,400	0	2,400	2,400
Total Revenues	\$ 959,381	\$ 8,776	\$ 968,157	\$ 8,003,504
<u>Expenditures</u>				
Current:				
Public Safety	\$ 0	\$ 0	\$ 0	\$ 305,635
Public Health and Welfare	0	0	0	3,728,183
Other Operations	0	0	0	114,384
Highways	0	0	0	2,571,175
Debt Service:				
Principal on Debt	0	0	0	87,000
Interest on Debt	0	0	0	2,518
Capital Projects	1,597,020	0	1,597,020	1,597,020
Capital Projects - Donated	0	2,144,295	2,144,295	2,144,295
Total Expenditures	\$ 1,597,020	\$ 2,144,295	\$ 3,741,315	\$ 10,550,210

(Continued)

Exhibit F-2

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Education Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ (637,639)	\$ (2,135,519)	\$ (2,773,158)	\$ (2,546,706)
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 27,521
Insurance Recovery	0	0	0	19,358
Transfers In	768,000	0	768,000	768,000
Transfers Out	(607,991)	0	(607,991)	(607,991)
Total Other Financing Sources (Uses)	\$ 160,009	\$ 0	\$ 160,009	\$ 206,888
Net Change in Fund Balances	\$ (477,630)	\$ (2,135,519)	\$ (2,613,149)	\$ (2,339,818)
Fund Balance, July 1, 2016	2,706,986	2,135,519	4,842,505	8,960,001
Fund Balance, June 30, 2017	\$ 2,229,356	\$ 0	\$ 2,229,356	\$ 6,620,183

Exhibit F-3

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,203,562	\$ 0	\$ 0	\$ 1,203,562	\$ 1,258,955	\$ 1,258,955	\$ (55,393)
Licenses and Permits	7,356	0	0	7,356	6,000	6,000	1,356
Charges for Current Services	142,656	0	0	142,656	161,953	161,953	(19,297)
Other Local Revenues	61,352	0	0	61,352	40,000	40,000	21,352
State of Tennessee	42,604	0	0	42,604	43,800	43,800	(1,196)
Total Revenues	\$ 1,457,530	\$ 0	\$ 0	\$ 1,457,530	\$ 1,510,708	\$ 1,510,708	\$ (53,178)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 175,897	\$ 0	\$ 0	\$ 175,897	\$ 201,585	\$ 201,585	\$ 25,688
Waste Pickup	788,216	(1,074)	231,365	1,018,507	893,857	1,156,422	137,915
Convenience Centers	315,661	0	0	315,661	369,842	375,342	59,681
Other Waste Collection	117,812	0	0	117,812	108,953	126,453	8,641
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500
<u>Other Operations</u>							
Other Charges	21,005	0	0	21,005	21,005	21,005	0
Total Expenditures	\$ 1,418,591	\$ (1,074)	\$ 231,365	\$ 1,648,882	\$ 1,599,742	\$ 1,885,307	\$ 236,425
Excess (Deficiency) of Revenues Over Expenditures	\$ 38,939	\$ 1,074	\$ (231,365)	\$ (191,352)	\$ (89,034)	\$ (374,599)	\$ 183,247
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,320	\$ 0	\$ 0	\$ 1,320	\$ 0	\$ 0	\$ 1,320
Total Other Financing Sources	\$ 1,320	\$ 0	\$ 0	\$ 1,320	\$ 0	\$ 0	\$ 1,320
Net Change in Fund Balance	\$ 40,259	\$ 1,074	\$ (231,365)	\$ (190,032)	\$ (89,034)	\$ (374,599)	\$ 184,567
Fund Balance, July 1, 2016	1,575,838	(1,074)	0	1,574,764	1,574,764	1,574,764	0
Fund Balance, June 30, 2017	\$ 1,616,097	\$ 0	\$ (231,365)	\$ 1,384,732	\$ 1,485,730	\$ 1,200,165	\$ 184,567

Exhibit F-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 520,524	\$ 0	\$ 0	\$ 520,524	\$ 524,203	\$ 524,203	\$ (3,679)
Licenses and Permits	2,500	0	0	2,500	9,000	9,000	(6,500)
Charges for Current Services	1,748,873	0	0	1,748,873	1,816,000	1,816,000	(67,127)
Other Local Revenues	808	0	0	808	0	0	808
Total Revenues	<u>\$ 2,272,705</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,272,705</u>	<u>\$ 2,349,203</u>	<u>\$ 2,349,203</u>	<u>\$ (76,498)</u>
<u>Expenditures</u>							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 2,330,597	\$ (57,651)	\$ 20,276	\$ 2,293,222	\$ 2,522,642	\$ 2,522,642	\$ 229,420
Total Expenditures	<u>\$ 2,330,597</u>	<u>\$ (57,651)</u>	<u>\$ 20,276</u>	<u>\$ 2,293,222</u>	<u>\$ 2,522,642</u>	<u>\$ 2,522,642</u>	<u>\$ 229,420</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (57,892)</u>	<u>\$ 57,651</u>	<u>\$ (20,276)</u>	<u>\$ (20,517)</u>	<u>\$ (173,439)</u>	<u>\$ (173,439)</u>	<u>\$ 152,922</u>
Net Change in Fund Balance	\$ (57,892)	\$ 57,651	\$ (20,276)	\$ (20,517)	\$ (173,439)	\$ (173,439)	\$ 152,922
Fund Balance, July 1, 2016	<u>480,895</u>	<u>(57,651)</u>	<u>0</u>	<u>423,244</u>	<u>423,244</u>	<u>423,244</u>	<u>0</u>
Fund Balance, June 30, 2017	<u>\$ 423,003</u>	<u>\$ 0</u>	<u>\$ (20,276)</u>	<u>\$ 402,727</u>	<u>\$ 249,805</u>	<u>\$ 249,805</u>	<u>\$ 152,922</u>

Exhibit F-5

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 178,127	\$ 0	\$ 178,127	\$ 176,679	\$ 176,679	\$ 1,448
Total Revenues	\$ 178,127	\$ 0	\$ 178,127	\$ 176,679	\$ 176,679	\$ 1,448
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 93,379	\$ (6,910)	\$ 86,469	\$ 107,500	\$ 107,500	\$ 21,031
Total Expenditures	\$ 93,379	\$ (6,910)	\$ 86,469	\$ 107,500	\$ 107,500	\$ 21,031
Excess (Deficiency) of Revenues Over Expenditures	\$ 84,748	\$ 6,910	\$ 91,658	\$ 69,179	\$ 69,179	\$ 22,479
Net Change in Fund Balance	\$ 84,748	\$ 6,910	\$ 91,658	\$ 69,179	\$ 69,179	\$ 22,479
Fund Balance, July 1, 2016	545,675	(6,910)	538,765	538,765	538,765	0
Fund Balance, June 30, 2017	\$ 630,423	\$ 0	\$ 630,423	\$ 607,944	\$ 607,944	\$ 22,479

Exhibit F-6

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 323,868	\$ 0	\$ 323,868	\$ 190,000	\$ 227,470	\$ 96,398
Other Local Revenues	12,509	0	12,509	0	9,979	2,530
Total Revenues	\$ 336,377	\$ 0	\$ 336,377	\$ 190,000	\$ 237,449	\$ 98,928
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 305,635	\$ 102,410	\$ 408,045	\$ 265,400	\$ 503,285	\$ 95,240
Total Expenditures	\$ 305,635	\$ 102,410	\$ 408,045	\$ 265,400	\$ 503,285	\$ 95,240
Excess (Deficiency) of Revenues Over Expenditures	\$ 30,742	\$ (102,410)	\$ (71,668)	\$ (75,400)	\$ (265,836)	\$ 194,168
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 27,521	\$ 0	\$ 27,521	\$ 0	\$ 0	\$ 27,521
Insurance Recovery	18,038	0	18,038	0	15,713	2,325
Total Other Financing Sources	\$ 45,559	\$ 0	\$ 45,559	\$ 0	\$ 15,713	\$ 29,846
Net Change in Fund Balance	\$ 76,301	\$ (102,410)	\$ (26,109)	\$ (75,400)	\$ (250,123)	\$ 224,014
Fund Balance, July 1, 2016	583,358	0	583,358	583,358	583,358	0
Fund Balance, June 30, 2017	\$ 659,659	\$ (102,410)	\$ 557,249	\$ 507,958	\$ 333,235	\$ 224,014

Exhibit F-7

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 37,335	\$ 0	\$ 0	\$ 37,335	\$ 65,000	\$ 65,000	\$ (27,665)
Other Local Revenues	2,830	0	0	2,830	400	400	2,430
State of Tennessee	2,750,443	0	0	2,750,443	3,402,771	3,402,771	(652,328)
Total Revenues	\$ 2,790,608	\$ 0	\$ 0	\$ 2,790,608	\$ 3,468,171	\$ 3,468,171	\$ (677,563)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 293,208	\$ 0	\$ 0	\$ 293,208	\$ 334,563	\$ 334,563	\$ 41,355
Highway and Bridge Maintenance	1,738,069	(19,100)	453,141	2,172,110	2,584,049	2,584,049	411,939
Operation and Maintenance of Equipment	346,317	(13,127)	1,168	334,358	357,344	357,344	22,986
Other Charges	166,702	0	0	166,702	180,261	180,261	13,559
Capital Outlay	26,879	0	0	26,879	180,000	180,000	153,121
<u>Principal on Debt</u>							
Highways and Streets	87,000	0	0	87,000	87,000	87,000	0
<u>Interest on Debt</u>							
Highways and Streets	2,518	0	0	2,518	2,519	2,519	1
Total Expenditures	\$ 2,660,693	\$ (32,227)	\$ 454,309	\$ 3,082,775	\$ 3,725,736	\$ 3,725,736	\$ 642,961
Excess (Deficiency) of Revenues Over Expenditures	\$ 129,915	\$ 32,227	\$ (454,309)	\$ (292,167)	\$ (257,565)	\$ (257,565)	\$ (34,602)
Net Change in Fund Balance	\$ 129,915	\$ 32,227	\$ (454,309)	\$ (292,167)	\$ (257,565)	\$ (257,565)	\$ (34,602)
Fund Balance, July 1, 2016	931,730	(32,227)	0	899,503	899,503	899,503	0
Fund Balance, June 30, 2017	\$ 1,061,645	\$ 0	\$ (454,309)	\$ 607,336	\$ 641,938	\$ 641,938	\$ (34,602)

Exhibit F-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 628,981	\$ 0	\$ 0	\$ 628,981	\$ 0	\$ 701,112	\$ (72,131)
Other Local Revenues	328,000	0	0	328,000	0	218,000	110,000
Federal Government	2,400	0	0	2,400	0	0	2,400
Total Revenues	\$ 959,381	\$ 0	\$ 0	\$ 959,381	\$ 0	\$ 919,112	\$ 40,269
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 526,283	\$ (410,874)	\$ 0	\$ 115,409	\$ 0	\$ 115,409	\$ 0
Administration of Justice Projects	6,000	0	0	6,000	0	6,000	0
Public Safety Projects	105,706	(7,448)	79,500	177,758	0	179,243	1,485
Public Health and Welfare Projects	189,544	0	125,925	315,469	0	373,518	58,049
Social, Cultural, and Recreation Projects	3,728	(3,728)	99,873	99,873	0	130,000	30,127
Public Utility Projects	40,400	0	0	40,400	0	60,750	20,350
Other General Government Projects	0	0	0	0	0	7,500	7,500
Education Capital Projects	725,359	(378,400)	423,304	770,263	0	770,263	0
Total Expenditures	\$ 1,597,020	\$ (800,450)	\$ 728,602	\$ 1,525,172	\$ 0	\$ 1,642,683	\$ 117,511
Excess (Deficiency) of Revenues Over Expenditures	\$ (637,639)	\$ 800,450	\$ (728,602)	\$ (565,791)	\$ 0	\$ (723,571)	\$ 157,780
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 768,000	\$ 0	\$ 0	\$ 768,000	\$ 0	\$ 768,000	\$ 0
Transfers Out	(607,991)	0	0	(607,991)	0	(607,991)	0
Total Other Financing Sources	\$ 160,009	\$ 0	\$ 0	\$ 160,009	\$ 0	\$ 160,009	\$ 0
Net Change in Fund Balance	\$ (477,630)	\$ 800,450	\$ (728,602)	\$ (405,782)	\$ 0	\$ (563,562)	\$ 157,780
Fund Balance, July 1, 2016	2,706,986	(800,450)	0	1,906,536	0	2,706,986	(800,450)
Fund Balance, June 30, 2017	\$ 2,229,356	\$ 0	\$ (728,602)	\$ 1,500,754	\$ 0	\$ 2,143,424	\$ (642,670)

Major Governmental Funds

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for school projects outside the territorial limits of the Special School District.

Exhibit G-1

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,871,382	\$ 1,820,211	\$ 1,820,211	\$ 51,171
Other Local Revenues	266,338	167,030	261,317	5,021
Total Revenues	<u>\$ 2,137,720</u>	<u>\$ 1,987,241</u>	<u>\$ 2,081,528</u>	<u>\$ 56,192</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 2,367,916	\$ 1,352,760	\$ 2,367,920	\$ 4
<u>Interest on Debt</u>				
General Government	648,431	727,133	653,068	4,637
<u>Other Debt Service</u>				
General Government	204,348	50,000	217,150	12,802
Total Expenditures	<u>\$ 3,220,695</u>	<u>\$ 2,129,893</u>	<u>\$ 3,238,138</u>	<u>\$ 17,443</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,082,975)</u>	<u>\$ (142,652)</u>	<u>\$ (1,156,610)</u>	<u>\$ 73,635</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 8,765,000	0	\$ 8,765,000	0
Premiums on Debt Sold	142,310	0	142,310	0
Transfers In	607,991	0	607,991	0
Payments to Refunded Debt Escrow Agent	(8,740,160)	0	(8,740,160)	0
Total Other Financing Sources	<u>\$ 775,141</u>	<u>0</u>	<u>\$ 775,141</u>	<u>0</u>
Net Change in Fund Balance	<u>\$ (307,834)</u>	<u>\$ (142,652)</u>	<u>\$ (381,469)</u>	<u>\$ 73,635</u>
Fund Balance, July 1, 2016	<u>3,171,223</u>	<u>3,171,222</u>	<u>3,171,222</u>	<u>1</u>
Fund Balance, June 30, 2017	<u><u>\$ 2,863,389</u></u>	<u><u>\$ 3,028,570</u></u>	<u><u>\$ 2,789,753</u></u>	<u><u>\$ 73,636</u></u>

Exhibit G-2

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,378,798	\$ 3,683,306	\$ 3,683,306	\$ (304,508)
Other Local Revenues	3,107	25,000	25,000	(21,893)
Federal Government	398,938	428,505	428,505	(29,567)
Other Governments and Citizens Groups	225,892	225,892	225,892	0
Total Revenues	\$ 4,006,735	\$ 4,362,703	\$ 4,362,703	\$ (355,968)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,313,884	\$ 1,313,885	\$ 1,313,885	\$ 1
<u>Interest on Debt</u>				
Education	2,636,830	2,637,650	2,637,650	820
<u>Other Debt Service</u>				
General Government	0	0	281,503	281,503
Education	50,955	56,500	56,500	5,545
Total Expenditures	\$ 4,001,669	\$ 4,008,035	\$ 4,289,538	\$ 287,869
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,066	\$ 354,668	\$ 73,165	\$ (68,099)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 136,702	\$ 136,038	\$ 136,038	\$ 664
Transfers Out	(768,000)	(768,000)	(768,000)	0
Total Other Financing Sources	\$ (631,298)	\$ (631,962)	\$ (631,962)	\$ 664
Net Change in Fund Balance	\$ (626,232)	\$ (277,294)	\$ (558,797)	\$ (67,435)
Fund Balance, July 1, 2016	5,060,022	5,060,022	5,060,022	0
Fund Balance, June 30, 2017	\$ 4,433,790	\$ 4,782,728	\$ 4,501,225	\$ (67,435)

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit H-1

Coffee County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2017

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Due from Other Governments
Property Taxes Receivable
Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES

Accounts Payable
Cash Overdraft
Due to State of Tennessee
Due to Other Taxing Units
Due to Litigants, Heirs, and Others
Due to Joint Ventures

Total Liabilities

Agency Funds			
Cities - Sales Tax	City School ADA - Tulahoma	City School ADA - Manchester	Constitu- tional Officers - Agency
\$ 0	\$ 0	\$ 0	\$ 1,796,448
0	5,693	16,080	0
0	0	0	6,617
3,092,713	325	146	0
0	6,296,702	2,593,348	0
0	(177,788)	(73,223)	0
<u>\$ 3,092,713</u>	<u>\$ 6,124,932</u>	<u>\$ 2,536,351</u>	<u>\$ 1,803,065</u>

\$ 0	\$ 0	\$ 0	\$ 0
0	68,500	0	0
0	0	0	0
3,092,713	6,056,432	2,536,351	0
0	0	0	1,803,065
0	0	0	0
<u>\$ 3,092,713</u>	<u>\$ 6,124,932</u>	<u>\$ 2,536,351</u>	<u>\$ 1,803,065</u>

(Continued)

Exhibit H-1

Coffee County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds (Cont.)

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Due from Other Governments
Property Taxes Receivable
Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES

Accounts Payable
Cash Overdraft
Due to State of Tennessee
Due to Other Taxing Units
Due to Litigants, Heirs, and Others
Due to Joint Ventures

Total Liabilities

<u>Agency Funds (Cont.)</u>		
<u>Judicial District Drug</u>	<u>District Attorney General</u>	<u>Total</u>
\$ 0	\$ 0	\$ 1,796,448
263,397	61,455	346,625
0	0	6,617
7,390	0	3,100,574
0	0	8,890,050
0	0	(251,011)
<hr/>		
\$ 270,787	\$ 61,455	\$ 13,889,303
<hr/>		
\$ 3,051	\$ 0	\$ 3,051
0	0	68,500
22	0	22
0	0	11,685,496
0	61,455	1,864,520
267,714	0	267,714
<hr/>		
\$ 270,787	\$ 61,455	\$ 13,889,303
<hr/>		

Exhibit H-2

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 15,949,832	\$ 15,949,832	\$ 0
Due from Other Governments	2,830,548	3,092,713	2,830,548	3,092,713
Total Assets	\$ 2,830,548	\$ 19,042,545	\$ 18,780,380	\$ 3,092,713
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,830,548	\$ 19,042,545	\$ 18,780,380	\$ 3,092,713
Total Liabilities	\$ 2,830,548	\$ 19,042,545	\$ 18,780,380	\$ 3,092,713
<u>City School ADA-Tulahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 167,187	\$ 5,762,395	\$ 5,923,889	\$ 5,693
Due from Other Governments	207	325	207	325
Property Taxes Receivable	6,148,439	6,296,702	6,148,439	6,296,702
Allowance for Uncollectible Property Taxes	(177,639)	(177,788)	(177,639)	(177,788)
Total Assets	\$ 6,138,194	\$ 11,881,634	\$ 11,894,896	\$ 6,124,932
<u>Liabilities</u>				
Cash Overdraft	\$ 0	\$ 68,500	\$ 0	\$ 68,500
Due to Other Taxing Units	6,138,194	11,813,134	11,894,896	6,056,432
Total Liabilities	\$ 6,138,194	\$ 11,881,634	\$ 11,894,896	\$ 6,124,932
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 59,762	\$ 2,586,953	\$ 2,630,635	\$ 16,080
Due from Other Governments	85	146	85	146
Property Taxes Receivable	2,532,629	2,593,348	2,532,629	2,593,348
Allowance for Uncollectible Property Taxes	(73,300)	73,300	73,223	(73,223)
Total Assets	\$ 2,519,176	\$ 5,253,747	\$ 5,236,572	\$ 2,536,351
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,519,176	\$ 5,253,747	\$ 5,236,572	\$ 2,536,351
Total Liabilities	\$ 2,519,176	\$ 5,253,747	\$ 5,236,572	\$ 2,536,351
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,651,512	\$ 10,956,392	\$ 11,811,456	\$ 1,796,448
Accounts Receivable	2,367	6,617	2,367	6,617
Total Assets	\$ 2,653,879	\$ 10,963,009	\$ 11,813,823	\$ 1,803,065
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,653,879	\$ 10,963,009	\$ 11,813,823	\$ 1,803,065
Total Liabilities	\$ 2,653,879	\$ 10,963,009	\$ 11,813,823	\$ 1,803,065

(Continued)

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 244,779	\$ 181,795	\$ 163,177	\$ 263,397
Due from Other Governments	14,779	7,390	14,779	7,390
Total Assets	<u>\$ 259,558</u>	<u>\$ 189,185</u>	<u>\$ 177,956</u>	<u>\$ 270,787</u>
<u>Liabilities</u>				
Accounts Payable	\$ 417	\$ 3,051	\$ 417	\$ 3,051
Due to State of Tennessee	33	22	33	22
Due to Joint Ventures	259,108	187,779	179,173	267,714
Total Liabilities	<u>\$ 259,558</u>	<u>\$ 190,852</u>	<u>\$ 179,623</u>	<u>\$ 270,787</u>
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 75,010	\$ 12,224	\$ 25,779	\$ 61,455
Total Assets	<u>\$ 75,010</u>	<u>\$ 12,224</u>	<u>\$ 25,779</u>	<u>\$ 61,455</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 75,010	\$ 12,224	\$ 25,779	\$ 61,455
Total Liabilities	<u>\$ 75,010</u>	<u>\$ 12,224</u>	<u>\$ 25,779</u>	<u>\$ 61,455</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,651,512	\$ 10,956,392	\$ 11,811,456	\$ 1,796,448
Equity in Pooled Cash and Investments	546,738	24,493,199	24,693,312	346,625
Accounts Receivable	2,367	6,617	2,367	6,617
Due from Other Governments	2,845,619	3,100,574	2,845,619	3,100,574
Property Taxes Receivable	8,681,068	8,890,050	8,681,068	8,890,050
Allowance for Uncollectible Property Taxes	(250,939)	(104,488)	(104,416)	(251,011)
Total Assets	<u>\$ 14,476,365</u>	<u>\$ 47,342,344</u>	<u>\$ 47,929,406</u>	<u>\$ 13,889,303</u>
<u>Liabilities</u>				
Accounts Payable	\$ 417	\$ 3,051	\$ 417	\$ 3,051
Cash Overdraft	0	68,500	0	68,500
Due to State of Tennessee	33	22	33	22
Due to Other Taxing Units	11,487,918	36,109,426	35,911,848	11,685,496
Due to Litigants, Heirs, and Others	2,728,889	10,975,233	11,839,602	1,864,520
Due to Joint Ventures	259,108	187,779	179,173	267,714
Total Liabilities	<u>\$ 14,476,365</u>	<u>\$ 47,344,011</u>	<u>\$ 47,931,073</u>	<u>\$ 13,889,303</u>

Coffee County School Department

This section presents combining and individual fund financial statements for the Coffee County School Department, a discretely presented component unit. The Coffee County School Department uses a General Fund, two Special Revenue Funds, and two Capital Projects Funds.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for contributions from the county for energy efficient projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for building renovations at various schools.

Exhibit I-1

Coffee County, Tennessee
Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 25,463,733	\$ 102,680	\$ 1,954,327	\$ 2,144,295	\$ (21,262,431)
Support Services	13,696,525	0	84,328	0	(13,612,197)
Operation of Non-instructional Services	3,290,979	824,039	2,615,057	0	148,117
Total Governmental Activities	\$ 42,451,237	\$ 926,719	\$ 4,653,712	\$ 2,144,295	\$ (34,726,511)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,827,700
Local Option Sales Taxes					4,485,238
Other Local Taxes					15,036
Grants and Contributions Not Restricted to Specific Programs					22,442,862
Unrestricted Investment Earnings					942
Miscellaneous					200,966
Sale of Equipment					1,275
Total General Revenues					\$ 35,974,019
Insurance Recovery					\$ 2,992
Change in Net Position					\$ 1,250,500
Net Position, July 1, 2016					49,747,045
Net Position, June 30, 2017					\$ 50,997,545

Exhibit I-2

Coffee County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2017

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,349	\$ 2,349
Equity in Pooled Cash and Investments	7,517,721	1,141,511	8,659,232
Accounts Receivable	17,022	153	17,175
Due from Other Governments	1,165,431	454,881	1,620,312
Due from Other Funds	680	0	680
Property Taxes Receivable	9,271,924	0	9,271,924
Allowance for Uncollectible Property Taxes	(261,794)	0	(261,794)
Total Assets	<u>\$ 17,710,984</u>	<u>\$ 1,598,894</u>	<u>\$ 19,309,878</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 10,284	\$ 6,621	\$ 16,905
Accrued Payroll	2,269,240	246,663	2,515,903
Payroll Deductions Payable	1,466,547	224,392	1,690,939
Due to Other Funds	0	680	680
Due to State of Tennessee	0	4	4
Total Liabilities	<u>\$ 3,746,071</u>	<u>\$ 478,360</u>	<u>\$ 4,224,431</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,784,888	\$ 0	\$ 8,784,888
Deferred Delinquent Property Taxes	214,649	0	214,649
Other Deferred/Unavailable Revenue	557,290	0	557,290
Total Deferred Inflows of Resources	<u>\$ 9,556,827</u>	<u>\$ 0</u>	<u>\$ 9,556,827</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 265,162	\$ 820,534	\$ 1,085,696
Committed:			
Committed for Education	0	300,000	300,000
Assigned:			
Assigned for Education	502,227	0	502,227
Unassigned	3,640,697	0	3,640,697
Total Fund Balances	<u>\$ 4,408,086</u>	<u>\$ 1,120,534</u>	<u>\$ 5,528,620</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,710,984</u>	<u>\$ 1,598,894</u>	<u>\$ 19,309,878</u>

Exhibit I-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Coffee County School Department
June 30, 2017

Amounts reported for governmental activities in the statement
of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 5,528,620
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,438,853	
Add: construction in progress	13,053	
Add: buildings and improvements net of accumulated depreciation	46,673,942	
Add: other capital assets net of accumulated depreciation	<u>3,190,635</u>	51,316,483
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net pension liability - teacher legacy plan	\$ (2,819,610)	
Less: compensated absences payable	(122,688)	
Less: other postemployment benefits liability	<u>(6,027,160)</u>	(8,969,458)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 5,602,164	
Less: deferred inflows of resources related to pensions	<u>(3,961,990)</u>	1,640,174
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - agent legacy plan	\$ 657,245	
Add: net pension assets - agent hybrid plan	5,017	
Add: net pension assets - teacher retirement plan	<u>47,525</u>	709,787
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>771,939</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 50,997,545</u></u>

Exhibit I-4

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 13,142,341	\$ 0	\$ 13,142,341
Licenses and Permits	2,151	0	2,151
Charges for Current Services	196,076	720,168	916,244
Other Local Revenues	257,144	1,877	259,021
State of Tennessee	22,543,151	21,287	22,564,438
Federal Government	258,767	4,230,998	4,489,765
Other Governments and Citizens Groups	0	2,144,295	2,144,295
Total Revenues	\$ 36,399,630	\$ 7,118,625	\$ 43,518,255
<u>Expenditures</u>			
Current:			
Instruction	\$ 20,288,821	\$ 1,957,433	\$ 22,246,254
Support Services	13,616,851	338,263	13,955,114
Operation of Non-instructional Services	998,704	2,531,581	3,530,285
Capital Outlay	235,966	2,133,282	2,369,248
Debt Service:			
Principal on Debt	225,892	0	225,892
Capital Projects	0	122,641	122,641
Total Expenditures	\$ 35,366,234	\$ 7,083,200	\$ 42,449,434
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,033,396	\$ 35,425	\$ 1,068,821
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 2,992	\$ 0	\$ 2,992
Transfers In	27,039	0	27,039
Transfers Out	0	(27,039)	(27,039)
Total Other Financing Sources (Uses)	\$ 30,031	\$ (27,039)	\$ 2,992
Net Change in Fund Balances	\$ 1,063,427	\$ 8,386	\$ 1,071,813
Fund Balance, July 1, 2016	3,344,659	1,112,148	4,456,807
Fund Balance, June 30, 2017	\$ 4,408,086	\$ 1,120,534	\$ 5,528,620

Exhibit I-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement
of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,071,813
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 484,800	
Less: current-year depreciation expense	<u>(1,537,018)</u>	(1,052,218)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position		
Less: book value of capital assets disposed		(52,180)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$ 771,939	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(585,770)</u>	186,169
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (10,982)	
Change in other postemployment benefits liability	(354,785)	
Change in net pension asset - agent legacy plan	(157,544)	
Change in net pension asset - agent hybrid plan	5,017	
Change in net pension asset - teacher retirement plan	28,504	
Change in net pension liability - teacher legacy plan	(2,636,643)	
Change in deferred outflows related to pensions	3,549,704	
Change in deferred inflows related to pensions	<u>673,645</u>	<u>1,096,916</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,250,500</u>

Exhibit I-6

Coffee County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2017

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 2,349	\$ 2,349	\$ 0	\$ 2,349
Equity in Pooled Cash and Investments	173,963	940,700	1,114,663	26,848	1,141,511
Accounts Receivable	153	0	153	0	153
Due from Other Governments	436,015	18,866	454,881	0	454,881
Total Assets	\$ 610,131	\$ 961,915	\$ 1,572,046	\$ 26,848	\$ 1,598,894
<u>LIABILITIES</u>					
Accounts Payable	\$ 403	\$ 6,218	\$ 6,621	\$ 0	\$ 6,621
Accrued Payroll	169,739	76,924	246,663	0	246,663
Payroll Deductions Payable	139,305	85,087	224,392	0	224,392
Due to Other Funds	680	0	680	0	680
Due to State of Tennessee	4	0	4	0	4
Total Liabilities	\$ 310,131	\$ 168,229	\$ 478,360	\$ 0	\$ 478,360
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 793,686	\$ 793,686	\$ 26,848	\$ 820,534
Committed:					
Committed for Education	300,000	0	300,000	0	300,000
Total Fund Balances	\$ 300,000	\$ 793,686	\$ 1,093,686	\$ 26,848	\$ 1,120,534
Total Liabilities and Fund Balances	\$ 610,131	\$ 961,915	\$ 1,572,046	\$ 26,848	\$ 1,598,894

Exhibit I-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 720,168	\$ 720,168	\$ 0
Other Local Revenues	0	1,877	1,877	0
State of Tennessee	0	21,287	21,287	0
Federal Government	2,322,735	1,908,263	4,230,998	0
Other Governments and Citizens Groups	0	0	0	2,144,295
Total Revenues	\$ 2,322,735	\$ 2,651,595	\$ 4,974,330	\$ 2,144,295
<u>Expenditures</u>				
Current:				
Instruction	\$ 1,957,433	\$ 0	\$ 1,957,433	\$ 0
Support Services	338,263	0	338,263	0
Operation of Non-instructional Services	0	2,531,581	2,531,581	0
Capital Outlay	0	0	0	2,133,282
Capital Projects	0	0	0	0
Total Expenditures	\$ 2,295,696	\$ 2,531,581	\$ 4,827,277	\$ 2,133,282
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,039	\$ 120,014	\$ 147,053	\$ 11,013
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (27,039)	\$ 0	\$ (27,039)	\$ 0
Total Other Financing Sources (Uses)	\$ (27,039)	\$ 0	\$ (27,039)	\$ 0

(Continued)

Exhibit I-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department (Cont.)

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
Net Change in Fund Balances	\$ 0	\$ 120,014	\$ 120,014	\$ 11,013
Fund Balance, July 1, 2016	300,000	673,672	973,672	15,835
Fund Balance, June 30, 2017	\$ 300,000	\$ 793,686	\$ 1,093,686	\$ 26,848

(Continued)

Exhibit I-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 0	\$ 720,168
Other Local Revenues	0	0	1,877
State of Tennessee	0	0	21,287
Federal Government	0	0	4,230,998
Other Governments and Citizens Groups	0	2,144,295	2,144,295
Total Revenues	<u>\$ 0</u>	<u>\$ 2,144,295</u>	<u>\$ 7,118,625</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 0	\$ 0	\$ 1,957,433
Support Services	0	0	338,263
Operation of Non-instructional Services	0	0	2,531,581
Capital Outlay	0	2,133,282	2,133,282
Capital Projects	122,641	122,641	122,641
Total Expenditures	<u>\$ 122,641</u>	<u>\$ 2,255,923</u>	<u>\$ 7,083,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (122,641)</u>	<u>\$ (111,628)</u>	<u>\$ 35,425</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ 0	\$ 0	\$ (27,039)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (27,039)</u>

(Continued)

Exhibit I-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
Net Change in Fund Balances	\$ (122,641)	\$ (111,628)	\$ 8,386
Fund Balance, July 1, 2016	122,641	138,476	1,112,148
Fund Balance, June 30, 2017	\$ 0	\$ 26,848	\$ 1,120,534

Exhibit I-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
General Purpose School Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,142,341	\$ 0	\$ 0	\$ 13,142,341	\$ 13,085,225	\$ 13,051,369	\$ 90,972
Licenses and Permits	2,151	0	0	2,151	2,244	2,244	(93)
Charges for Current Services	196,076	0	0	196,076	182,000	186,116	9,960
Other Local Revenues	257,144	0	0	257,144	70,750	100,340	156,804
State of Tennessee	22,543,151	0	0	22,543,151	22,217,701	22,536,028	7,123
Federal Government	258,767	0	0	258,767	136,249	303,641	(44,874)
Total Revenues	\$ 36,399,630	\$ 0	\$ 0	\$ 36,399,630	\$ 35,694,169	\$ 36,179,738	\$ 219,892
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,433,415	\$ (5,035)	\$ 1,970	\$ 15,430,350	\$ 15,710,617	\$ 15,775,141	\$ 344,791
Alternative Instruction Program	6,098	0	0	6,098	15,000	15,000	8,902
Special Education Program	3,441,269	(2,255)	1,768	3,440,782	3,624,539	3,553,539	112,757
Career and Technical Education Program	1,343,183	0	0	1,343,183	1,364,375	1,351,375	8,192
Student Body Education Program	64,856	0	0	64,856	72,399	72,399	7,543
<u>Support Services</u>							
Attendance	146,312	0	0	146,312	150,913	153,713	7,401
Health Services	771,611	0	0	771,611	755,783	795,140	23,529
Other Student Support	1,027,403	(15,445)	1,476	1,013,434	995,338	1,059,260	45,826
Regular Instruction Program	1,168,486	(34,436)	0	1,134,050	1,893,826	1,162,173	28,123
Special Education Program	329,888	0	2,896	332,784	407,677	407,677	74,893
Career and Technical Education Program	68,922	0	0	68,922	73,954	70,636	1,714
Technology	531,362	0	68,092	599,454	0	626,232	26,778
Other Programs	225,253	0	0	225,253	0	225,253	0
Board of Education	1,079,005	0	0	1,079,005	1,145,346	1,154,146	75,141
Director of Schools	277,183	0	0	277,183	285,975	288,005	10,822
Office of the Principal	2,633,631	0	0	2,633,631	2,658,946	2,671,850	38,219
Fiscal Services	326,145	0	186	326,331	333,944	333,944	7,613
Operation of Plant	2,233,344	0	0	2,233,344	2,229,417	2,311,717	78,373

(Continued)

Exhibit I-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 670,672	\$ (1,050)	\$ 12,115	\$ 681,737	\$ 684,160	\$ 684,690	\$ 2,953
Transportation	2,127,634	(41,172)	1,479	2,087,941	2,112,695	2,184,295	96,354
<u>Operation of Non-instructional Services</u>							
Community Services	335,563	0	0	335,563	281,056	414,476	78,913
Early Childhood Education	663,141	0	0	663,141	689,463	672,963	9,822
<u>Capital Outlay</u>							
Regular Capital Outlay	235,966	(145,628)	92,168	182,506	200,000	200,000	17,494
<u>Principal on Debt</u>							
Education	225,892	0	0	225,892	225,892	225,892	0
Total Expenditures	\$ 35,366,234	\$ (245,021)	\$ 182,150	\$ 35,303,363	\$ 35,911,315	\$ 36,409,516	\$ 1,106,153
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,033,396	\$ 245,021	\$ (182,150)	\$ 1,096,267	\$ (217,146)	\$ (229,778)	\$ 1,326,045
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,992	\$ 0	\$ 0	\$ 2,992	\$ 10,000	\$ 10,000	\$ (7,008)
Transfers In	27,039	0	0	27,039	0	0	27,039
Transfers Out	0	0	0	0	(935)	0	0
Total Other Financing Sources	\$ 30,031	\$ 0	\$ 0	\$ 30,031	\$ 9,065	\$ 10,000	\$ 20,031
Net Change in Fund Balance	\$ 1,063,427	\$ 245,021	\$ (182,150)	\$ 1,126,298	\$ (208,081)	\$ (219,778)	\$ 1,346,076
Fund Balance, July 1, 2016	3,344,659	(245,021)	0	3,099,638	2,766,417	2,766,417	333,221
Fund Balance, June 30, 2017	\$ 4,408,086	\$ 0	\$ (182,150)	\$ 4,225,936	\$ 2,558,336	\$ 2,546,639	\$ 1,679,297

Exhibit I-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Coffee County School Department
School Federal Projects Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,322,735	\$ 2,739,434	\$ 2,739,642	\$ (416,907)
Total Revenues	\$ 2,322,735	\$ 2,739,434	\$ 2,739,642	\$ (416,907)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,058,900	\$ 1,143,752	\$ 1,157,473	\$ 98,573
Special Education Program	824,444	998,444	958,851	134,407
Career and Technical Education Program	74,089	69,513	74,089	0
<u>Support Services</u>				
Health Services	36,866	20,000	60,634	23,768
Other Student Support	128,735	188,522	186,920	58,185
Regular Instruction Program	134,527	229,605	216,515	81,988
Special Education Program	38,135	53,243	53,403	15,268
Career and Technical Education Program	0	4,444	0	0
Total Expenditures	\$ 2,295,696	\$ 2,707,523	\$ 2,707,885	\$ 412,189
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,039	\$ 31,911	\$ 31,757	\$ (4,718)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (27,039)	\$ (31,913)	\$ (31,758)	\$ 4,719
Total Other Financing Sources	\$ (27,039)	\$ (31,913)	\$ (31,758)	\$ 4,719
Net Change in Fund Balance	\$ 0	\$ (2)	\$ (1)	\$ 1
Fund Balance, July 1, 2016	300,000	300,000	300,000	0
Fund Balance, June 30, 2017	\$ 300,000	\$ 299,998	\$ 299,999	\$ 1

Exhibit I-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Coffee County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 720,168	\$ 734,714	\$ 734,714	\$ (14,546)
Other Local Revenues	1,877	2,021	2,021	(144)
State of Tennessee	21,287	21,000	21,000	287
Federal Government	1,908,263	1,756,347	1,768,247	140,016
Total Revenues	\$ 2,651,595	\$ 2,514,082	\$ 2,525,982	\$ 125,613
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 2,531,581	\$ 2,732,892	\$ 2,744,792	\$ 213,211
Total Expenditures	\$ 2,531,581	\$ 2,732,892	\$ 2,744,792	\$ 213,211
Excess (Deficiency) of Revenues Over Expenditures	\$ 120,014	\$ (218,810)	\$ (218,810)	\$ 338,824
Net Change in Fund Balance	\$ 120,014	\$ (218,810)	\$ (218,810)	\$ 338,824
Fund Balance, July 1, 2016	673,672	673,657	673,657	15
Fund Balance, June 30, 2017	\$ 793,686	\$ 454,847	\$ 454,847	\$ 338,839

The Water and Wastewater Treatment Authority of Coffee County, Tennessee

This section presents fund financial statements for the Water and Wastewater Treatment Authority of Coffee County, Tennessee, a discretely presented component unit. The authority uses a single enterprise fund, the Wayside Acres Sewer Fund.

Exhibit J-1

Coffee County, Tennessee

Statement of Net Position

Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee

June 30, 2017

	<u>Enterprise Fund</u>
	Wayside
	Acres
	Sewer
	<u>Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 56,921
Accounts Receivable	3,066
Total Current Assets	<u>\$ 59,987</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 30,120
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	442,591
Total Noncurrent Assets	<u>\$ 472,711</u>
Total Assets	<u>\$ 532,698</u>
<u>LIABILITIES</u>	
Noncurrent Liabilities:	
Due Within One Year	\$ 28,088
Due In More Than One Year	252,731
Total Liabilities	<u>\$ 280,819</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 191,892
Unrestricted	59,987
Total Net Position	<u><u>\$ 251,879</u></u>

Exhibit J-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee
For the Year Ended June 30, 2017

	<u>Enterprise Fund</u> Wayside Acres Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 57,751
Total Operating Revenues	<u>\$ 57,751</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 35,679
Depreciation	27,233
Total Operating Expenses	<u>\$ 62,912</u>
Operating Income (Loss)	<u>\$ (5,161)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest on Other Loans	\$ (4,252)
Total Nonoperating Revenues (Expenses)	<u>\$ (4,252)</u>
Change in Net Position	\$ (9,413)
Net Position, July 1, 2016	<u>261,292</u>
Net Position, June 30, 2017	<u><u>\$ 251,879</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit J-3

Coffee County, Tennessee
Statement of Cash Flows
Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee
For the Year Ended June 30, 2017

	Enterprise Fund
	Wayside
	Acres
	Sewer
	Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 57,697
Payments to Suppliers	(35,679)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 22,018</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (2,427)
Interest Paid on Other Loans	(4,252)
Acquisition of Capital Assets	(20,500)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (27,179)</u>
Net Increase (Decrease) in Cash	\$ (5,161)
Cash, July 1, 2016	<u>62,082</u>
Cash, June 30, 2017	<u><u>\$ 56,921</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (5,161)
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	27,233
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	<u>(54)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 22,018</u></u>

The notes to the financial statements are an integral part of this statement.

MISCELLANEOUS SCHEDULES

Exhibit K-1

Coffee County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Other Loans
Primary Government and Discretely Presented Water and Wastewater Treatment Authority
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
PRIMARY GOVERNMENT									
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
General Obligation Refunding Bonds, Series 2009	\$ 1,500,000	2.56 %	10-1-09	6-1-17	\$ 300,000	\$ 0	\$ 300,000	\$ 0	\$ 0
General Obligation Bond, Series 2013A	9,000,000	3.125	8-28-14	8-28-52	8,767,028	0	33,101	8,733,927	0
General Obligation Bond, Series 2013B	9,000,000	3.125	8-28-14	8-28-52	8,767,028	0	132,924	0	8,634,104
General Obligation Bond, Series 2013C	4,000,000	3.125	8-28-14	8-28-52	3,896,457	0	951,891	0	2,944,566
General Obligation Refunding Bond, Series 2015A	2,565,000	2.487	12-10-15	6-1-21	2,545,000	0	475,000	0	2,070,000
General Obligation Refunding Bond, Series 2016	8,765,000	2.253	10-5-16	6-1-39	0	8,765,000	240,000	0	8,525,000
Total Payable through General Debt Service Fund					<u>\$ 24,275,513</u>	<u>\$ 8,765,000</u>	<u>\$ 2,132,916</u>	<u>\$ 8,733,927</u>	<u>\$ 22,173,670</u>
<u>Payable through Rural Debt Service Fund</u>									
Rural School Bond, Series 2015B	2,040,000	2 to 3.5	12-10-15	6-1-31	\$ 2,040,000	\$ 0	\$ 115,000	\$ 0	\$ 1,925,000
Rural School Bond, Series 2015C	2,675,000	2 to 3.5	12-10-15	6-1-31	2,675,000	0	150,000	0	2,525,000
Build America Bond	17,125,000	7.15	7-15-09	6-1-44	17,125,000	0	0	0	17,125,000
Rural School Bond, Series 2013	9,100,000	3.83	1-6-14	6-1-37	9,100,000	0	0	0	9,100,000
Rural School Bond, Series 2014	13,650,000	4.19	1-6-14	6-1-37	13,040,000	0	275,000	0	12,765,000
Total Payable through Rural Debt Service Fund					<u>\$ 43,980,000</u>	<u>\$ 0</u>	<u>\$ 540,000</u>	<u>\$ 0</u>	<u>\$ 43,440,000</u>
Total Bonds Payable					<u>\$ 68,255,513</u>	<u>\$ 8,765,000</u>	<u>\$ 2,672,916</u>	<u>\$ 8,733,927</u>	<u>\$ 65,613,670</u>
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Lighting Project and Ambulance Repair Capital Outlay Note	450,000	2.21	7-22-13	7-22-18	\$ 225,000	\$ 0	\$ 90,000	0	\$ 135,000
Administrative Plaza Building Repairs Capital Outlay Note	575,000	1.99	4-21-16	4-1-20	575,000	0	145,000	0	430,000
Total Payable through General Debt Service Fund					<u>\$ 800,000</u>	<u>\$ 0</u>	<u>\$ 235,000</u>	<u>\$ 0</u>	<u>\$ 565,000</u>
<u>Payable through Rural Debt Service Fund</u>									
School Buses	300,000	2.19	7-22-13	7-22-18	\$ 160,000	\$ 0	\$ 70,000	0	\$ 90,000
Total Payable through Rural Debt Service Fund					<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 70,000</u>	<u>\$ 0</u>	<u>\$ 90,000</u>
<u>Payable through Highway Public Works Fund</u>									
Equipment and Vehicles	500,000	2.3	9-26-11	8-1-17	\$ 131,000	\$ 0	\$ 87,000	0	\$ 44,000
Total Payable through Highway/Public Works Fund					<u>\$ 131,000</u>	<u>\$ 0</u>	<u>\$ 87,000</u>	<u>\$ 0</u>	<u>\$ 44,000</u>
Total Notes Payable					<u>\$ 1,091,000</u>	<u>\$ 0</u>	<u>\$ 392,000</u>	<u>\$ 0</u>	<u>\$ 699,000</u>

(Continued)

Exhibit K-1

Coffee County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Other Loans (Cont.)
Primary Government and Discretely Presented Water and Wastewater Treatment Authority

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
<u>PRIMARY GOVERNMENT (CONT.):</u>									
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through Rural Debt Service Fund</u>									
Education Improvement Series Z-6-A	\$ 7,600,000	4.75 %	12-10-08	6-1-26	\$ 5,745,000	\$ 0	\$ 465,000	\$ 0	\$ 5,280,000
Qualified School Construction Bonds Series 2010	3,027,000	(1) 0	10-7-10	7-1-27	2,114,080	0	188,880	0	1,925,200
Energy Efficiency Improvements	500,000	0	7-26-11	9-1-22	308,318	0	50,004	0	258,314
Total Payable through Rural Debt Service Fund					<u>\$ 8,167,398</u>	<u>\$ 0</u>	<u>\$ 703,884</u>	<u>\$ 0</u>	<u>\$ 7,463,514</u>
<u>Payable through Wayside Acres Sewer Fund</u>									
Sewer Construction - Rural Development	224,000	(2) 4.125	10-10-06	11-10-16	\$ 195,250	\$ 0	\$ 195,250	\$ 0	\$ 0
Sewer Construction - Rural Development	100,000	(2) 4.375	12-20-06	11-10-16	87,996	0	87,996	0	0
Total Payable through Wayside Acres Sewer Fund					<u>\$ 283,246</u>	<u>\$ 0</u>	<u>\$ 283,246</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Other Loans Payable					<u>\$ 8,450,644</u>	<u>\$ 0</u>	<u>\$ 987,130</u>	<u>\$ 0</u>	<u>\$ 7,463,514</u>
<u>DISCRETELY PRESENTED WATER AND WASTEWATER TREATMENT AUTHORITY OF COFFEE COUNTY, TENNESSEE</u>									
<u>Notes Payable</u>									
<u>Payable through Wayside Acres Sewer Fund</u>									
Payment of Other Loan Principal	280,819	0	11-8-16	6-15-27	\$ 0	\$ 280,819	\$ 0	\$ 0	\$ 280,819
Total Notes Payable					<u>\$ 0</u>	<u>\$ 280,819</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 280,819</u>

- (1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy resulting in a net interest rate of zero percent.
- (2) In prior years, this debt was reflected as debt of the primary government payable through the enterprise fund. During the year examined, the Water and Wastewater Treatment Authority took over administration of the Wayside Acres Sewer Fund and the authority is being shown as a component unit in the financial statements of this report. In November 2016, the authority issued a note to retire the rural development loans.

Exhibit K-2

Coffee County, TennesseeSchedule of Long-term Debt Requirements by YearPrimary Government and Discretely Presented Water and Wastewater Treatment AuthorityPRIMARY GOVERNMENT

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 1,573,097	\$ 2,817,709	\$ 4,390,806
2019	1,599,377	2,779,929	4,379,306
2020	1,645,857	2,741,849	4,387,706
2021	1,647,541	2,702,465	4,350,006
2022	1,159,438	2,662,318	3,821,756
2023	1,346,552	2,630,504	3,977,056
2024	1,473,893	2,595,863	4,069,756
2025	1,481,466	2,555,877	4,037,343
2026	1,544,280	2,514,395	4,058,675
2027	2,327,340	2,467,098	4,794,438
2028	2,400,657	2,392,768	4,793,425
2029	2,474,237	2,315,038	4,789,275
2030	2,558,090	2,232,135	4,790,225
2031	2,647,222	2,144,810	4,792,032
2032	2,351,645	2,050,262	4,401,907
2033	2,436,366	1,963,828	4,400,194
2034	2,531,395	1,873,198	4,404,593
2035	2,626,742	1,778,733	4,405,475
2036	2,722,418	1,678,807	4,401,225
2037	2,818,432	1,574,918	4,393,350
2038	2,969,794	1,465,906	4,435,700
2039	3,091,517	1,292,371	4,383,888
2040	2,718,612	1,111,188	3,829,800
2041	2,831,090	931,310	3,762,400
2042	2,968,964	743,836	3,712,800
2043	3,107,246	546,954	3,654,200
2044	3,245,948	340,652	3,586,600
2045	460,086	124,914	585,000
2046	474,671	110,329	585,000
2047	453,147	95,281	548,428
2048	349,784	79,756	429,540
2049	360,873	63,739	424,612
2050	372,313	47,214	419,527
2051	384,116	30,166	414,282
2052	396,293	12,577	408,870
2053	63,171	347	63,518
Total	\$ 65,613,670	\$ 53,469,044	\$ 119,082,714

(Continued)

Exhibit K-2

Coffee County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Primary Government and Discretely Presented Water and Wastewater Treatment Authority

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 349,000	\$ 14,032	\$ 363,032
2019	210,000	8,124	218,124
2020	140,000	2,786	142,786
Total	<u>\$ 699,000</u>	<u>\$ 24,942</u>	<u>\$ 723,942</u>

Year Ending June 30	Other Loans		
	Principal	Interest (1)	Total
2018	\$ 713,884	\$ 399,547	\$ 1,113,431
2019	753,884	379,359	1,133,243
2020	773,884	356,442	1,130,326
2021	838,884	332,099	1,170,983
2022	838,884	304,499	1,143,383
2023	762,174	274,499	1,036,673
2024	803,880	246,249	1,050,129
2025	868,880	215,499	1,084,379
2026	883,880	181,499	1,065,379
2027	207,474	146,749	354,223
2028	17,806	73,373	91,179
Total	<u>\$ 7,463,514</u>	<u>\$ 2,909,814</u>	<u>\$ 10,373,328</u>

DISCRETELY PRESENTED WATER AND
WASTEWATER TREATMENT AUTHORITY
OF COFFEE COUNTY, TENNESSEE

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 28,088	\$ 0	\$ 28,088
2019	28,081	0	28,081
2020	28,082	0	28,082
2021	28,081	0	28,081
2022	28,081	0	28,081
2023	28,081	0	28,081
2024	28,081	0	28,081
2025	28,082	0	28,082
2026	28,082	0	28,082
2027	28,080	0	28,080
Total	<u>\$ 280,819</u>	<u>\$ 0</u>	<u>\$ 280,819</u>

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Coffee County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2017

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-17</u>
<u>Rural Debt Service Fund</u>						
Payment of Other Loan Principal	The Water and Wastewater Treatment Authority of Coffee County, Tennessee	\$ 280,819	11-8-16	6-15-27	0 %	\$ <u>280,819</u>
Total						\$ <u><u>280,819</u></u>

Exhibit K-4

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Rural Debt Service	Federal interest subsidy	\$ 136,702
Rural Debt Service	General Capital Projects	School capital purchases	768,000
General Capital Projects	General Debt Service	Debt retirement	<u>607,991</u>
Total Transfers Primary Government			<u>\$ 1,512,693</u>
<u>DISCRETELY PRESENTED COFFEE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 27,039</u>

Exhibit K-5

Coffee County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> and Coffee County Commission	\$ 93,389	(4) \$	100,000	Auto-Owners Mutual Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i> and Coffee County Commission	88,947	(4)	100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	118,554	(1)	(2)	
Trustee	Section 8-24-102, <i>TCA</i> and Coffee County Commission	80,858	(4)	2,163,387	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i> and Coffee County Commission	80,858	(4)	10,000	"
Director of Accounts and Budgets	Coffee County Commission	80,653		100,000	"
County Clerk	Section 8-24-102, <i>TCA</i> and Coffee County Commission	80,858	(4)	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> and Coffee County Commission	80,858	(4)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Coffee County Commission	80,858	(4)	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i> and Coffee County Commission	80,858	(4)	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> and Coffee County Commission	88,943	(3) (4)	100,000	"
Employee Blanket Bonds:					
Public Employee Dishonesty - County Departments				150,000	Travelers Property Casualty Company of America
Public Employee Dishonesty - Highway Department				400,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department				400,000	Tennessee Risk Management Trust

(1) Does not include a chief executive officer training supplement of \$1,000.

(2) The director is covered under the School Department's blanket bond.

(3) Does not include a law enforcement training supplement of \$600.

(4) The Coffee County Commission appropriated funds to compensate officials greater than the minimum salary.

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,805,765	\$ 798,822	\$ 496,600	\$ 177,938	\$ 0	\$ 0
Trustee's Collections - Prior Year	268,699	21,398	13,547	109	0	0
Trustee's Collections - Bankruptcy	7,433	1,209	277	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	108,858	20,360	5,488	0	0	0
Interest and Penalty	87,882	11,374	4,426	80	0	0
Payments in-Lieu-of Taxes - T.V.A.	624	117	32	0	0	0
Payments in-Lieu-of Taxes - Other	3,040	571	154	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	257,238	80,010	0	0	0	0
Litigation Tax - General	224,939	0	0	0	0	0
Litigation Tax - Special Purpose	120,008	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	72,181	0	0	0	0	0
Business Tax	976,534	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	37,335
<u>Statutory Local Taxes</u>						
Bank Excise Tax	302,970	0	0	0	0	0
Wholesale Beer Tax	0	269,701	0	0	0	0
Interstate Telecommunications Tax	2,107	0	0	0	0	0
Total Local Taxes	\$ 12,238,278	\$ 1,203,562	\$ 520,524	\$ 178,127	\$ 0	\$ 37,335
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 163,347	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 7,356	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	62,816	0	0	0	0	0
Plumbing Permits	9,600	0	0	0	0	0
Other Permits	9,230	0	2,500	0	0	0
Total Licenses and Permits	\$ 244,993	\$ 7,356	\$ 2,500	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 14,102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	12,917	0	0	0	0	0
Drug Control Fines	641	0	0	0	21,616	0
Veterans Treatment Court Fees	1,719	0	0	0	0	0
Judicial Commissioner Fees	1,660	0	0	0	0	0
DUI Treatment Fines	1,169	0	0	0	0	0
Data Entry Fee - Circuit Court	39,509	0	0	0	0	0
Courtroom Security Fee	44	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	180,123	0	0	0	0	0
Officers Costs	98,548	0	0	0	0	0
Game and Fish Fines	459	0	0	0	0	0
Drug Control Fines	0	0	0	0	167,261	0
Jail Fees	11,980	0	0	0	0	0
Interpreter Fee	285	0	0	0	0	0
Judicial Commissioner Fees	13,227	0	0	0	0	0
DUI Treatment Fines	15,393	0	0	0	0	0

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 13,307	\$ 0	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	2,940	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	3,159	0	0	0	0	0
Officers Costs	4,949	0	0	0	0	0
Judicial Commissioner Fees	510	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	4,265	0	0	0	0	0
Data Entry Fee - Chancery Court	7,336	0	0	0	0	0
Courtroom Security Fee	4,980	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	5,418	0	0	0	0	0
Drug Court Fees	39,006	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	134,991	0
Other Fines, Forfeitures, and Penalties	31,140	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 508,786	\$ 0	\$ 0	\$ 0	\$ 323,868	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 13,281	\$ 0	\$ 0	\$ 0	0
Solid Waste Disposal Fee	0	80,583	0	0	0	0
Surcharge - Waste Tire Disposal	0	48,792	0	0	0	0
Patient Charges	6,453	0	1,743,573	0	0	0
Other General Service Charges	4,655	0	0	0	0	0

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Subdivision Lot Fees	\$ 11,570	\$ 0	\$ 0	\$ 0	\$ 0	0
Recreation Fees	17,337	0	0	0	0	0
Copy Fees	4,180	0	1,700	0	0	0
Library Fees	48,432	0	0	0	0	0
Archives and Records Management Fee	133	0	0	0	0	0
Greenbelt Late Application Fee	650	0	0	0	0	0
Telephone Commissions	188,712	0	0	0	0	0
Data Processing Fee - Register	18,462	0	0	0	0	0
Probation Fees	275,219	0	0	0	0	0
Data Processing Fee - Sheriff	7,999	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,750	0	0	0	0	0
Data Processing Fee - County Clerk	22,333	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	47,000	0	3,600	0	0	0
Total Charges for Current Services	\$ 659,885	\$ 142,656	\$ 1,748,873	\$ 0	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	590
Lease/Rentals	21,490	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	1,770
Commissary Sales	9,419	0	0	0	0	0
Sale of Maps	8	0	0	0	0	0
Sale of Recycled Materials	0	61,352	0	0	0	470
Miscellaneous Refunds	16,512	0	0	0	0	0

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Accrued Interest on Debt Issues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Property	2,011	0	0	0	0	0
Damages Recovered from Individuals	885	0	0	0	0	0
Contributions and Gifts	230,834	0	808	0	12,509	0
Total Other Local Revenues	\$ 281,159	\$ 61,352	\$ 808	\$ 0	\$ 12,509	\$ 2,830
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 540,325	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	965,945	0	0	0	0	0
Clerk and Master	217,743	0	0	0	0	0
Register	242,350	0	0	0	0	0
Sheriff	25,039	0	0	0	0	0
Trustee	995,846	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,987,248	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	24,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	10,000	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	711,610
Litter Program	0	42,604	0	0	0	0

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 68,349	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	18,415	0	0	0	0	0
Vehicle Certificate of Title Fees	44,297	0	0	0	0	0
Alcoholic Beverage Tax	96,472	0	0	0	0	0
State Revenue Sharing - T.V.A.	291,363	0	0	0	0	0
Contracted Prisoner Boarding	1,250,933	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,000,738
Petroleum Special Tax	0	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	2,451	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	501,599	0	0	0	0	0
Other State Revenues	41,721	0	0	0	0	0
Total State of Tennessee	\$ 2,374,364	\$ 42,604	\$ 0	\$ 0	\$ 0	\$ 2,750,443
<u>Federal Government</u>						
<u>Federal Through State</u>						
Appalachian Regional Commission	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Community Development	40,186	0	0	0	0	0
Civil Defense Reimbursement	35,850	0	0	0	0	0
Homeland Security Grants	14,541	0	0	0	0	0
Other Federal through State	27,715	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	136,702	0	0	0	0	0
Total Federal Government	\$ 254,994	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 128,701	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	17,643	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	21,272	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 167,616</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 19,717,323</u>	<u>\$ 1,457,530</u>	<u>\$ 2,272,705</u>	<u>\$ 178,127</u>	<u>\$ 336,377</u>	<u>\$ 2,790,608</u>

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,446,091	\$ 1,039,491	\$ 377,701	\$ 0	\$ 14,142,408
Trustee's Collections - Prior Year	39,456	29,239	9,071	0	381,519
Trustee's Collections - Bankruptcy	1,359	1,411	5	0	11,694
Circuit Clerk/Clerk and Master Collections - Prior Years	19,404	22,709	254	0	177,073
Interest and Penalty	14,152	13,662	1,780	0	133,356
Payments in-Lieu-of Taxes - T.V.A.	92	131	24	0	1,020
Payments in-Lieu-of Taxes - Other	448	637	117	0	4,967
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	2,271,518	240,029	0	2,848,795
Litigation Tax - General	0	0	0	0	224,939
Litigation Tax - Special Purpose	0	0	0	0	120,008
Litigation Tax - Jail, Workhouse, or Courthouse	350,380	0	0	0	350,380
Litigation Tax - Courthouse Security	0	0	0	0	72,181
Business Tax	0	0	0	0	976,534
Mineral Severance Tax	0	0	0	0	37,335
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	302,970
Wholesale Beer Tax	0	0	0	0	269,701
Interstate Telecommunications Tax	0	0	0	0	2,107
Total Local Taxes	\$ 1,871,382	\$ 3,378,798	\$ 628,981	\$ 0	\$ 20,056,987
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 163,347

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	7,356
Building Permits	0	0	0	0	62,816
Plumbing Permits	0	0	0	0	9,600
Other Permits	0	0	0	0	11,730
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	254,849
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	14,102
Officers Costs	0	0	0	0	12,917
Drug Control Fines	0	0	0	0	22,257
Veterans Treatment Court Fees	0	0	0	0	1,719
Judicial Commissioner Fees	0	0	0	0	1,660
DUI Treatment Fines	0	0	0	0	1,169
Data Entry Fee - Circuit Court	0	0	0	0	39,509
Courtroom Security Fee	0	0	0	0	44
<u>General Sessions Court</u>					
Fines	0	0	0	0	180,123
Officers Costs	0	0	0	0	98,548
Game and Fish Fines	0	0	0	0	459
Drug Control Fines	0	0	0	0	167,261
Jail Fees	0	0	0	0	11,980
Interpreter Fee	0	0	0	0	285
Judicial Commissioner Fees	0	0	0	0	13,227
DUI Treatment Fines	0	0	0	0	15,393

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 0	13,307
Victims Assistance Assessments	0	0	0	0	2,940
<u>Juvenile Court</u>					
Fines	0	0	0	0	3,159
Officers Costs	0	0	0	0	4,949
Judicial Commissioner Fees	0	0	0	0	510
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	4,265
Data Entry Fee - Chancery Court	0	0	0	0	7,336
Courtroom Security Fee	0	0	0	0	4,980
<u>Other Courts - In-county</u>					
Drug Control Fines	0	0	0	0	5,418
Drug Court Fees	0	0	0	0	39,006
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	134,991
Other Fines, Forfeitures, and Penalties	0	0	0	0	31,140
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	832,654
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	13,281
Solid Waste Disposal Fee	0	0	0	0	80,583
Surcharge - Waste Tire Disposal	0	0	0	0	48,792
Patient Charges	0	0	0	0	1,750,026
Other General Service Charges	0	0	0	0	4,655

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Subdivision Lot Fees	\$ 0	\$ 0	\$ 0	\$ 0	11,570
Recreation Fees	0	0	0	0	17,337
Copy Fees	0	0	0	0	5,880
Library Fees	0	0	0	0	48,432
Archives and Records Management Fee	0	0	0	0	133
Greenbelt Late Application Fee	0	0	0	0	650
Telephone Commissions	0	0	0	0	188,712
Data Processing Fee - Register	0	0	0	0	18,462
Probation Fees	0	0	0	0	275,219
Data Processing Fee - Sheriff	0	0	0	0	7,999
Sexual Offender Registration Fee - Sheriff	0	0	0	0	6,750
Data Processing Fee - County Clerk	0	0	0	0	22,333
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	50,600
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	2,551,414
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 116,153	\$ 3,107	\$ 0	\$ 8,776	\$ 128,626
Lease/Rentals	100,024	0	0	0	121,514
Sale of Materials and Supplies	0	0	0	0	1,770
Commissary Sales	0	0	0	0	9,419
Sale of Maps	0	0	0	0	8
Sale of Recycled Materials	0	0	0	0	61,822
Miscellaneous Refunds	0	0	0	0	16,512

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Accrued Interest on Debt Issues	\$ 50,161	\$ 0	\$ 0	\$ 0	\$ 50,161
Sale of Property	0	0	110,000	0	112,011
Damages Recovered from Individuals	0	0	218,000	0	218,885
Contributions and Gifts	0	0	0	0	244,151
Total Other Local Revenues	\$ 266,338	\$ 3,107	\$ 328,000	\$ 8,776	\$ 964,879
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 540,325
Circuit Court Clerk	0	0	0	0	965,945
Clerk and Master	0	0	0	0	217,743
Register	0	0	0	0	242,350
Sheriff	0	0	0	0	25,039
Trustee	0	0	0	0	995,846
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,987,248
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	24,600
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	10,000
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	711,610
Litter Program	0	0	0	0	42,604

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	68,349
Beer Tax	0	0	0	0	18,415
Vehicle Certificate of Title Fees	0	0	0	0	44,297
Alcoholic Beverage Tax	0	0	0	0	96,472
State Revenue Sharing - T.V.A.	0	0	0	0	291,363
Contracted Prisoner Boarding	0	0	0	0	1,250,933
Gasoline and Motor Fuel Tax	0	0	0	0	2,000,738
Petroleum Special Tax	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	0	0	0	0	2,451
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	501,599
Other State Revenues	0	0	0	0	41,721
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	5,167,411
<u>Federal Government</u>					
<u>Federal Through State</u>					
Appalachian Regional Commission	\$ 0	\$ 0	2,400	\$ 0	2,400
Community Development	0	0	0	0	40,186
Civil Defense Reimbursement	0	0	0	0	35,850
Homeland Security Grants	0	0	0	0	14,541
Other Federal through State	0	0	0	0	27,715
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	398,938	0	0	535,640
Total Federal Government	\$ 0	\$ 398,938	\$ 2,400	\$ 0	656,332

(Continued)

Exhibit K-6

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Funds		Capital Projects Funds		
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	Total
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 225,892	\$ 0	\$ 0	\$ 354,593
Contracted Services	0	0	0	0	17,643
<u>Citizens Groups</u>					
Donations	0	0	0	0	21,272
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 225,892</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 393,508</u>
Total	<u>\$ 2,137,720</u>	<u>\$ 4,006,735</u>	<u>\$ 959,381</u>	<u>\$ 8,776</u>	<u>\$ 33,865,282</u>

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,413,210	\$ 0	\$ 0	\$ 0	\$ 8,413,210
Trustee's Collections - Prior Year	229,728	0	0	0	229,728
Trustee's Collections - Bankruptcy	7,961	0	0	0	7,961
Circuit Clerk/Clerk and Master Collections - Prior Years	82,364	0	0	0	82,364
Interest and Penalty	75,946	0	0	0	75,946
Payments in-Lieu-of Taxes - T.V.A.	536	0	0	0	536
Payments in-Lieu-of Taxes - Other	2,612	0	0	0	2,612
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,314,948	0	0	0	4,314,948
Mixed Drink Tax	12,890	0	0	0	12,890
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	2,146	0	0	0	2,146
Total Local Taxes	<u>\$ 13,142,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,142,341</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,151	\$ 0	\$ 0	\$ 0	\$ 2,151
Total Licenses and Permits	<u>\$ 2,151</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,151</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 545,558	\$ 0	\$ 545,558
Lunch Payments - Adults	0	0	38,624	0	38,624
Income from Breakfast	0	0	56,938	0	56,938

(Continued)

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la Carte Sales	\$ 0	\$ 0	\$ 79,021	\$ 0	\$ 79,021
Receipts from Individual Schools	92,178	0	27	0	92,205
Community Service Fees - Children	103,898	0	0	0	103,898
Total Charges for Current Services	<u>\$ 196,076</u>	<u>\$ 0</u>	<u>\$ 720,168</u>	<u>\$ 0</u>	<u>\$ 916,244</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 942	\$ 0	\$ 942
Sale of Materials and Supplies	3,207	0	935	0	4,142
E-Rate Funding	10,475	0	0	0	10,475
Miscellaneous Refunds	164,016	0	0	0	164,016
<u>Nonrecurring Items</u>					
Sale of Equipment	6,954	0	0	0	6,954
Damages Recovered from Individuals	2,948	0	0	0	2,948
Contributions and Gifts	39,684	0	0	0	39,684
<u>Other Local Revenues</u>					
Other Local Revenues	29,860	0	0	0	29,860
Total Other Local Revenues	<u>\$ 257,144</u>	<u>\$ 0</u>	<u>\$ 1,877</u>	<u>\$ 0</u>	<u>\$ 259,021</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 225,253	\$ 0	\$ 0	\$ 0	\$ 225,253
<u>State Education Funds</u>					
Basic Education Program	20,683,000	0	0	0	20,683,000

(Continued)

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Early Childhood Education	\$ 647,398	\$ 0	\$ 0	\$ 0	\$ 647,398
School Food Service	0	0	21,287	0	21,287
Driver Education	15,707	0	0	0	15,707
Other State Education Funds	13,409	0	0	0	13,409
Coordinated School Health	84,328	0	0	0	84,328
Internet Connectivity	11,678	0	0	0	11,678
Family Resource Centers	59,923	0	0	0	59,923
Career Ladder Program	102,319	0	0	0	102,319
<u>Other State Revenues</u>					
Alcoholic Beverage Tax	4,286	0	0	0	4,286
State Revenue Sharing - T.V.A.	671,240	0	0	0	671,240
Other State Grants	2,804	0	0	0	2,804
Safe Schools	21,806	0	0	0	21,806
Total State of Tennessee	\$ 22,543,151	\$ 0	\$ 21,287	\$ 0	\$ 22,564,438
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,217,029	\$ 0	\$ 1,217,029
USDA - Commodities	0	0	176,603	0	176,603
Breakfast	0	0	487,448	0	487,448
USDA - Other	0	0	27,183	0	27,183
Vocational Education - Basic Grants to States	0	98,042	0	0	98,042
Title I Grants to Local Education Agencies	0	1,041,965	0	0	1,041,965
Special Education - Grants to States	0	886,232	0	0	886,232

(Continued)

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Special Education Preschool Grants	\$ 0	\$ 24,253	\$ 0	\$ 0	\$ 24,253
English Language Acquisition Grants	0	6,034	0	0	6,034
Rural Education	0	56,314	0	0	56,314
Eisenhower Professional Development State Grants	0	171,786	0	0	171,786
Other Federal through State	211,252	38,109	0	0	249,361
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	47,515	0	0	0	47,515
Total Federal Government	<u>\$ 258,767</u>	<u>\$ 2,322,735</u>	<u>\$ 1,908,263</u>	<u>\$ 0</u>	<u>\$ 4,489,765</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 2,144,295	\$ 2,144,295
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,144,295</u>	<u>\$ 2,144,295</u>
Total	<u>\$ 36,399,630</u>	<u>\$ 2,322,735</u>	<u>\$ 2,651,595</u>	<u>\$ 2,144,295</u>	<u>\$ 43,518,255</u>

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	19,000	
Social Security		1,456	
Audit Services		19,007	
Dues and Memberships		1,720	
Maintenance Agreements		1,654	
Printing, Stationery, and Forms		115	
Travel		4,766	
Total County Commission			\$ 47,718

Board of Equalization

Board and Committee Members Fees	\$	1,020	
Social Security		78	
Total Board of Equalization			1,098

Other Boards and Committees

Board and Committee Members Fees	\$	23,870	
Social Security		1,823	
Travel		809	
Total Other Boards and Committees			26,502

County Mayor/Executive

County Official/Administrative Officer	\$	93,389	
ADA Coordinator		41,389	
Purchasing Personnel		40,585	
Secretary(ies)		38,499	
Clerical Personnel		7,335	
Social Security		16,658	
Pensions		12,621	
Medical Insurance		14,717	
Dental Insurance		881	
Unemployment Compensation		251	
Communication		4,420	
Dues and Memberships		15,165	
Legal Notices, Recording, and Court Costs		7,258	
Maintenance Agreements		2,024	
Printing, Stationery, and Forms		914	
Travel		2,748	
Tuition		550	
Other Contracted Services		400	
Office Supplies		3,170	
Other Charges		6,122	
Furniture and Fixtures		3,655	
Total County Mayor/Executive			312,751

County Attorney

County Official/Administrative Officer	\$	4,800	
Legal Services		51,424	
Total County Attorney			56,224

(Continued)

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	72,771	
Deputy(ies)		65,232	
Clerical Personnel		10,158	
Overtime Pay		2,016	
Election Commission		7,357	
Election Workers		72,955	
Social Security		14,388	
Pensions		8,649	
Medical Insurance		15,713	
Dental Insurance		516	
Unemployment Compensation		576	
Communication		3,062	
Dues and Memberships		200	
Legal Notices, Recording, and Court Costs		27,405	
Maintenance Agreements		15,062	
Maintenance and Repair Services - Equipment		311	
Travel		3,300	
Tuition		1,500	
Other Contracted Services		2,161	
Office Supplies		4,292	
Total Election Commission			\$ 327,624

Register of Deeds

County Official/Administrative Officer	\$	80,858	
Deputy(ies)		99,052	
Part-time Personnel		14,121	
Social Security		14,449	
Pensions		5,230	
Medical Insurance		12,111	
Dental Insurance		903	
Unemployment Compensation		248	
Communication		2,309	
Dues and Memberships		786	
Operating Lease Payments		16,112	
Maintenance Agreements		1,668	
Travel		1,130	
Tuition		40	
Other Contracted Services		1,783	
Data Processing Supplies		2,499	
Office Supplies		5,310	
Total Register of Deeds			258,609

Codes Compliance

Assistant(s)	\$	12,912	
Supervisor/Director		56,834	
Secretary(ies)		27,002	
Part-time Personnel		10,590	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Codes Compliance (Cont.)

Social Security	\$	8,070	
Pensions		2,289	
Medical Insurance		10,306	
Dental Insurance		602	
Unemployment Compensation		341	
Communication		1,712	
Consultants		1,226	
Dues and Memberships		135	
Legal Notices, Recording, and Court Costs		946	
Maintenance Agreements		1,530	
Maintenance and Repair Services - Vehicles		1,194	
Printing, Stationery, and Forms		91	
Tuition		2,579	
Other Contracted Services		912	
Gasoline		1,861	
Office Supplies		2,098	
Other Supplies and Materials		285	
Total Codes Compliance			\$ 143,515

County Buildings

Assistant(s)	\$	35,232	
Supervisor/Director		52,430	
Custodial Personnel		25,116	
Maintenance Personnel		103,425	
Overtime Pay		21,733	
Social Security		17,984	
Pensions		11,954	
Medical Insurance		30,734	
Dental Insurance		1,504	
Unemployment Compensation		420	
Communication		44,089	
Maintenance Agreements		77,953	
Maintenance and Repair Services - Buildings		126,663	
Maintenance and Repair Services - Equipment		4,730	
Maintenance and Repair Services - Vehicles		3,387	
Pest Control		3,057	
Disposal Fees		183	
Other Contracted Services		40,371	
Custodial Supplies		13,105	
Electricity		146,054	
Gasoline		4,941	
Natural Gas		19,916	
Office Supplies		845	
Uniforms		971	
Water and Sewer		7,375	
Other Supplies and Materials		18	
Maintenance Equipment		2,743	
Total County Buildings			796,933

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Other General Administration

Data Processing Personnel	\$	43,486	
Social Security		3,327	
Pensions		2,870	
Unemployment Compensation		64	
Communication		3,239	
Data Processing Services		2,296	
Maintenance Agreements		14,687	
Postal Charges		52,531	
Total Other General Administration			\$ 122,500

FinanceAccounting and Budgeting

Supervisor/Director	\$	80,653	
Accountants/Bookkeepers		194,200	
Social Security		19,859	
Pensions		16,144	
Medical Insurance		32,790	
Dental Insurance		1,913	
Unemployment Compensation		460	
Communication		1,354	
Dues and Memberships		525	
Legal Notices, Recording, and Court Costs		397	
Maintenance Agreements		26,643	
Travel		5,058	
Tuition		2,088	
Office Supplies		6,364	
Total Accounting and Budgeting			388,448

Property Assessor's Office

County Official/Administrative Officer	\$	80,858	
Clerical Personnel		145,676	
Social Security		17,115	
Pensions		13,362	
Medical Insurance		21,125	
Dental Insurance		1,160	
Unemployment Compensation		386	
Audit Services		16,600	
Communication		1,796	
Data Processing Services		25,480	
Dues and Memberships		1,700	
Maintenance Agreements		943	
Maintenance and Repair Services - Vehicles		1,357	
Printing, Stationery, and Forms		2,408	
Tuition		994	
Gasoline		1,565	
Office Supplies		1,967	
Other Charges		3,000	
Total Property Assessor's Office			337,492

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Reappraisal Program

Other Salaries and Wages	\$	13,968	
Social Security		1,069	
Unemployment Compensation		47	
Other Contracted Services		2,391	
Data Processing Supplies		1,877	
Total Reappraisal Program			\$ 19,352

County Trustee's Office

County Official/Administrative Officer	\$	80,858	
Deputy(ies)		140,911	
Social Security		15,484	
Pensions		10,917	
Medical Insurance		29,816	
Dental Insurance		1,032	
Unemployment Compensation		284	
Communication		1,003	
Dues and Memberships		770	
Maintenance Agreements		8,856	
Postal Charges		7,300	
Printing, Stationery, and Forms		510	
Travel		876	
Other Contracted Services		4,757	
Office Supplies		3,223	
Total County Trustee's Office			306,597

County Clerk's Office

County Official/Administrative Officer	\$	80,858	
Deputy(ies)		204,756	
Social Security		20,733	
Pensions		17,487	
Medical Insurance		37,892	
Dental Insurance		1,805	
Unemployment Compensation		448	
Communication		2,692	
Dues and Memberships		850	
Maintenance Agreements		26,236	
Printing, Stationery, and Forms		2,769	
Travel		3,376	
Tuition		465	
Office Supplies		9,237	
Other Charges		1,653	
Total County Clerk's Office			411,257

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	80,858	
Deputy(ies)		675,526	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Circuit Court (Cont.)

Part-time Personnel	\$	59,494	
Jury and Witness Expense		9,848	
Social Security		60,202	
Pensions		34,059	
Medical Insurance		110,248	
Dental Insurance		5,179	
Unemployment Compensation		2,037	
Communication		6,737	
Dues and Memberships		1,620	
Maintenance Agreements		36,560	
Printing, Stationery, and Forms		12,466	
Travel		1,036	
Duplicating Supplies		5,464	
Office Supplies		9,520	
Other Supplies and Materials		15,602	
Other Charges		26,003	
Total Circuit Court			\$ 1,152,459

General Sessions Judge

Judge(s)	\$	335,408	
Secretary(ies)		29,768	
Social Security		22,564	
Pensions		11,068	
Medical Insurance		11,957	
Dental Insurance		516	
Unemployment Compensation		50	
Communication		660	
Dues and Memberships		820	
Evaluation and Testing		1,346	
Legal Services		1,340	
Travel		3,726	
Other Contracted Services		618	
Office Supplies		1,757	
Periodicals		9,120	
Total General Sessions Judge			430,718

Drug Court

Drug Treatment	\$	79,588	
Total Drug Court			79,588

Chancery Court

County Official/Administrative Officer	\$	80,858	
Deputy(ies)		131,614	
Part-time Personnel		6,719	
Social Security		15,451	
Pensions		14,023	
Medical Insurance		26,521	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

Dental Insurance	\$	1,289	
Unemployment Compensation		374	
Communication		2,476	
Dues and Memberships		1,899	
Maintenance Agreements		10,676	
Printing, Stationery, and Forms		1,698	
Travel		403	
Tuition		550	
Office Supplies		2,263	
Periodicals		932	
Other Supplies and Materials		3,219	
Total Chancery Court			\$ 300,965

District Attorney General

Social Workers	\$	12,373	
Social Security		947	
Pensions		619	
Unemployment Compensation		64	
Travel		113	
Total District Attorney General			14,116

Office of Public Defender

Part-time Personnel	\$	1,675	
Social Security		128	
Unemployment Compensation		13	
Other Contracted Services		13,304	
Other Supplies and Materials		170	
Office Equipment		976	
Total Office of Public Defender			16,266

Judicial Commissioners

County Official/Administrative Officer	\$	84,904	
Temporary Personnel		29,537	
Overtime Pay		5,805	
Social Security		9,251	
Pensions		5,913	
Medical Insurance		10,255	
Dental Insurance		774	
Unemployment Compensation		454	
Communication		1,545	
Dues and Memberships		525	
Maintenance Agreements		780	
Office Supplies		694	
Total Judicial Commissioners			150,437

Probation Services

Supervisor/Director	\$	42,630	
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(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Probation Services (Cont.)

Deputy(ies)	\$	34,396	
Probation Officer(s)		88,897	
Clerical Personnel		24,384	
Part-time Personnel		27,296	
Social Security		15,314	
Pensions		9,193	
Medical Insurance		19,623	
Dental Insurance		1,032	
Unemployment Compensation		542	
Communication		3,045	
Maintenance Agreements		981	
Printing, Stationery, and Forms		196	
Travel		1,167	
Tuition		1,305	
Gasoline		35	
Office Supplies		3,322	
Uniforms		640	
Other Supplies and Materials		3,644	
Data Processing Equipment		1,723	
Total Probation Services			\$ 279,365

Public SafetySheriff's Department

County Official/Administrative Officer	\$	88,943	
Deputy(ies)		1,504,826	
Salary Supplements		24,600	
Secretary(ies)		46,159	
Clerical Personnel		59,627	
Overtime Pay		81,377	
Other Salaries and Wages		73,584	
Social Security		146,747	
Pensions		108,576	
Medical Insurance		208,106	
Dental Insurance		10,403	
Unemployment Compensation		3,001	
Communication		32,611	
Dues and Memberships		6,086	
Maintenance Agreements		12,529	
Maintenance and Repair Services - Equipment		2,020	
Maintenance and Repair Services - Vehicles		65,754	
Postal Charges		1,058	
Printing, Stationery, and Forms		1,551	
Travel		955	
Tuition		11,640	
Gasoline		131,135	
Law Enforcement Supplies		7,635	
Office Supplies		6,337	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Uniforms	\$	11,841	
Data Processing Equipment		3,193	
Law Enforcement Equipment		7,344	
Total Sheriff's Department			\$ 2,657,638

Traffic Control

Contracts with Other Public Agencies	\$	9,175	
Road Signs		4,875	
Total Traffic Control			14,050

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	3,220	
Total Administration of the Sexual Offender Registry			3,220

Jail

Deputy(ies)	\$	269,473	
Guards		1,579,699	
Clerical Personnel		102,808	
Attendants		14,135	
Cafeteria Personnel		69,277	
Overtime Pay		89,106	
Bonus Payments		26,717	
Other Salaries and Wages		91,344	
Social Security		168,104	
Pensions		71,171	
Medical Insurance		285,704	
Dental Insurance		14,828	
Unemployment Compensation		6,907	
Communication		26,468	
Contracts with Private Agencies		150	
Dues and Memberships		4,500	
Evaluation and Testing		11,535	
Maintenance Agreements		18,086	
Maintenance and Repair Services - Equipment		545	
Medical and Dental Services		386,384	
Printing, Stationery, and Forms		2,003	
Transportation - Other than Students		20,204	
Travel		5,557	
Tuition		2,820	
Other Contracted Services		499,922	
Custodial Supplies		52,871	
Electricity		164,898	
Food Supplies		409,752	
Law Enforcement Supplies		20,100	
Natural Gas		36,603	
Office Supplies		6,847	
Prisoners Clothing		24,128	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Uniforms	\$	2,173	
Water and Sewer		110,754	
Liability Claims		6,843	
Total Jail			\$ 4,602,416

Workhouse

Guards	\$	161,394	
Overtime Pay		13,371	
Other Salaries and Wages		14,067	
Social Security		14,156	
Pensions		7,513	
Medical Insurance		28,326	
Dental Insurance		1,375	
Unemployment Compensation		424	
Communication		79	
Custodial Supplies		137	
Electricity		11,880	
Law Enforcement Supplies		19	
Natural Gas		3,199	
Uniforms		1,404	
Water and Sewer		1,943	
Total Workhouse			259,287

Juvenile Services

Supervisor/Director	\$	46,583	
Youth Service Officer(s)		141,150	
Salary Supplements		9,000	
Other Salaries and Wages		8,342	
Social Security		15,302	
Pensions		11,951	
Medical Insurance		25,312	
Dental Insurance		1,332	
Unemployment Compensation		320	
Communication		3,720	
Contracts with Government Agencies		54,261	
Dues and Memberships		760	
Maintenance Agreements		981	
Travel		4,545	
Tuition		460	
Office Supplies		3,050	
Other Supplies and Materials		1,355	
Data Processing Equipment		15,543	
Furniture and Fixtures		989	
Total Juvenile Services			344,956

Rural Fire Protection

Contributions	\$	260,000	
Total Rural Fire Protection			260,000

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Civil Defense

Supervisor/Director	\$	43,909	
Deputy(ies)		42,299	
Social Security		5,423	
Pensions		5,646	
Medical Insurance		10,663	
Dental Insurance		559	
Unemployment Compensation		192	
Communication		6,836	
Dues and Memberships		340	
Maintenance and Repair Services - Vehicles		4,643	
Travel		1,012	
Tuition		385	
Food Supplies		679	
Gasoline		3,304	
Office Supplies		3,674	
Uniforms		2,664	
Other Supplies and Materials		8,975	
Other Charges		14,965	
Communication Equipment		3,775	
Total Civil Defense			\$ 159,943

Rescue Squad

Contributions	\$	22,500	
Total Rescue Squad			22,500

County Coroner/Medical Examiner

Medical and Dental Services	\$	152,647	
Total County Coroner/Medical Examiner			152,647

Other Public Safety

Supervisor/Director	\$	68,763	
Salary Supplements		28,108	
Dispatchers/Radio Operators		505,893	
Educational Assistants		42,026	
Overtime Pay		21,903	
Other Salaries and Wages		20,147	
Social Security		50,652	
Pensions		35,692	
Medical Insurance		86,078	
Dental Insurance		4,534	
Unemployment Compensation		1,366	
Total Other Public Safety			865,162

Public Health and WelfareLocal Health Center

Medical Personnel	\$	137,141	
Clerical Personnel		150,000	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Educational Assistants	\$	95,442	
Social Security		28,822	
Pensions		20,632	
Medical Insurance		51,773	
Dental Insurance		2,085	
Unemployment Compensation		948	
Communication		5,941	
Contributions		40,000	
Maintenance and Repair Services - Buildings		10,885	
Travel		17,094	
Tuition		200	
Other Contracted Services		88	
Drugs and Medical Supplies		94	
Office Supplies		266	
Utilities		8,215	
Other Supplies and Materials		1,028	
Other Charges		13,183	
Total Local Health Center			\$ 583,837

Rabies and Animal Control

Supervisor/Director	\$	35,180	
Deputy(ies)		25,444	
Overtime Pay		2,882	
Social Security		4,945	
Pensions		2,726	
Medical Insurance		8,533	
Dental Insurance		451	
Unemployment Compensation		198	
Communication		1,924	
Maintenance and Repair Services - Buildings		506	
Maintenance and Repair Services - Vehicles		4,959	
Travel		1,100	
Tuition		525	
Veterinary Services		1,611	
Animal Food and Supplies		1,534	
Custodial Supplies		1,259	
Drugs and Medical Supplies		503	
Gasoline		3,386	
Office Supplies		704	
Uniforms		167	
Utilities		1,200	
Total Rabies and Animal Control			99,737

Alcohol and Drug Programs

Other Supplies and Materials	\$	2,000	
Total Alcohol and Drug Programs			2,000

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Appropriation to State

Contributions	\$ 82,378	
Total Appropriation to State		\$ 82,378

General Welfare Assistance

Contributions	\$ 8,606	
Total General Welfare Assistance		8,606

Other Waste Disposal

Disposal Fees	\$ 45,692	
Total Other Waste Disposal		45,692

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$ 75,000	
Tax Relief Program	136,652	
Total Senior Citizens Assistance		211,652

Libraries

Librarians	\$ 555,262	
Social Security	40,721	
Pensions	24,557	
Medical Insurance	74,072	
Dental Insurance	3,352	
Unemployment Compensation	1,746	
Communication	6,904	
Data Processing Services	1,371	
Dues and Memberships	756	
Janitorial Services	13,526	
Maintenance Agreements	46,517	
Maintenance and Repair Services - Equipment	3,237	
Printing, Stationery, and Forms	987	
Travel	481	
Tuition	30	
Other Contracted Services	6,686	
Riprap	24,861	
Library Books/Media	78,822	
Office Supplies	10,434	
Periodicals	3,055	
Utilities	39,216	
Other Supplies and Materials	17,589	
Office Equipment	12,336	
Total Libraries		966,518

Other Social, Cultural, and Recreational

Librarians	\$ 1,215	
Social Security	90	
Pensions	29	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Other Social, Cultural, and Recreational (Cont.)

Unemployment Compensation	\$	1	
Other Contracted Services		30	
Library Books/Media		971	
Other Supplies and Materials		14,529	
Office Equipment		8,301	
Total Other Social, Cultural, and Recreational			\$ 25,166

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	79,694	
Secretary(ies)		46,594	
Social Security		673	
Unemployment Compensation		70	
Other Fringe Benefits		35,021	
Communication		1,065	
Contracts with Private Agencies		48,116	
Travel		600	
Data Processing Supplies		1,500	
Utilities		1,914	
Total Agricultural Extension Service			215,247

Soil Conservation

Secretary(ies)	\$	36,289	
Other Salaries and Wages		15,059	
Social Security		3,487	
Pensions		2,768	
Medical Insurance		8,521	
Dental Insurance		387	
Unemployment Compensation		136	
Contributions		2,000	
Total Soil Conservation			68,647

Other OperationsIndustrial Development

Contributions	\$	258,914	
Total Industrial Development			258,914

Veterans' Services

Clerical Personnel	\$	7,830	
Social Security		599	
Unemployment Compensation		63	
Communication		1,554	
Maintenance Agreements		399	
Transportation - Other than Students		328	
Travel		300	
Electricity		1,081	
Natural Gas		742	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

Office Supplies	\$	469	
Water and Sewer		314	
Total Veterans' Services			\$ 13,679

Other Charges

Contributions	\$	132,015	
Other Contracted Services		14,139	
Electricity		60,000	
Liability Insurance		360,842	
Premiums on Corporate Surety Bonds		497	
Trustee's Commission		236,584	
Workers' Compensation Insurance		232,334	
Loss from Joint Venture		258,352	
Other Charges		17,951	
Total Other Charges			1,312,714

Contributions to Other Agencies

Contributions	\$	14,450	
Total Contributions to Other Agencies			14,450

Payments to Cities

Contributions	\$	31,500	
Total Payments to Cities			31,500

Miscellaneous

Other Contracted Services	\$	5,245	
Instructional Supplies and Materials		7,615	
Total Miscellaneous			12,860

Total General Fund \$ 19,275,950

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Supervisor/Director	\$	52,430	
Secretary(ies)		36,289	
Part-time Personnel		5,243	
Overtime Pay		1,771	
Social Security		7,196	
Pensions		5,972	
Medical Insurance		11,804	
Dental Insurance		516	
Unemployment Compensation		144	
Communication		3,290	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		4,505	
Postal Charges		631	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Sanitation Management (Cont.)

Travel	\$	33	
Custodial Supplies		1,020	
Utilities		8,065	
Other Supplies and Materials		4,309	
Trustee's Commission		21,085	
Other Charges		11,394	
Total Sanitation Management			\$ 175,897

Waste Pickup

Truck Drivers	\$	117,606	
Guards		26,646	
Overtime Pay		19,697	
Social Security		11,928	
Pensions		6,121	
Medical Insurance		25,772	
Dental Insurance		1,032	
Unemployment Compensation		320	
Contracts with Government Agencies		24,737	
Contracts with Private Agencies		422,381	
Maintenance and Repair Services - Equipment		591	
Maintenance and Repair Services - Vehicles		22,427	
Medical and Dental Services		70	
Diesel Fuel		45,430	
Garage Supplies		2,796	
Gasoline		4,966	
Tires and Tubes		11,340	
Uniforms		2,124	
Other Supplies and Materials		3,747	
Vehicle and Equipment Insurance		9,740	
Motor Vehicles		28,745	
Total Waste Pickup			788,216

Convenience Centers

Attendants	\$	159,548	
Overtime Pay		3,956	
Other Salaries and Wages		18,785	
Social Security		13,067	
Pensions		4,595	
Medical Insurance		45,733	
Dental Insurance		2,708	
Unemployment Compensation		857	
Communication		5,280	
Maintenance and Repair Services - Buildings		8,101	
Maintenance and Repair Services - Equipment		29,390	
Rentals		7,560	
Crushed Stone		209	
Electricity		9,308	
Other Equipment		6,564	
Total Convenience Centers			315,661

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Other Waste Collection

Supervisor/Director	\$	14,976	
Secretary(ies)		9,256	
Attendants		4,028	
Overtime Pay		733	
Social Security		2,165	
Pensions		1,637	
Unemployment Compensation		57	
Contracts with Government Agencies		1,737	
Contracts with Private Agencies		61,886	
Contracts with Vehicle Owners		1,682	
Maintenance and Repair Services - Equipment		1,219	
Office Supplies		936	
Other Equipment		17,500	
Total Other Waste Collection			\$ 117,812

Other OperationsOther Charges

Workers' Compensation Insurance	\$	21,005	
Total Other Charges			21,005

Total Solid Waste/Sanitation Fund \$ 1,418,591

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

Assistant(s)	\$	50,927	
Supervisor/Director		64,345	
Accountants/Bookkeepers		28,360	
Medical Personnel		867,107	
Overtime Pay		566,312	
In-service Training		4,791	
Social Security		116,437	
Pensions		69,641	
Medical Insurance		168,445	
Dental Insurance		7,394	
Unemployment Compensation		2,911	
Communication		12,178	
Consultants		3,000	
Dues and Memberships		810	
Operating Lease Payments		1,779	
Licenses		2,500	
Maintenance Agreements		12,752	
Maintenance and Repair Services - Equipment		7,412	
Maintenance and Repair Services - Vehicles		48,666	
Travel		583	
Tuition		8,058	
Other Contracted Services		2,011	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Ambulance Service Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Custodial Supplies	\$	1,494	
Drugs and Medical Supplies		68,366	
Gasoline		36,002	
Office Supplies		3,495	
Tires and Tubes		6,670	
Uniforms		10,463	
Utilities		30,472	
Other Supplies and Materials		1,167	
Liability Insurance		18,521	
Trustee's Commission		27,994	
Vehicle and Equipment Insurance		32,220	
Communication Equipment		1,050	
Data Processing Equipment		2,009	
Other Equipment		44,255	
Total Ambulance/Emergency Medical Services			\$ 2,330,597

Total Ambulance Service Fund \$ 2,330,597

Local Purpose Tax FundOther OperationsIndustrial Development

Contracts with Government Agencies	\$	75,000	
Engineering Services		4,250	
Other Contracted Services		9,630	
Utilities		936	
Trustee's Commission		3,563	
Total Industrial Development			\$ 93,379

Total Local Purpose Tax Fund 93,379

Drug Control FundPublic SafetyDrug Enforcement

Confidential Drug Enforcement Payments	\$	10,000	
Dues and Memberships		715	
Maintenance and Repair Services - Equipment		1,055	
Travel		5,166	
Tuition		18,865	
Veterinary Services		1,443	
Animal Food and Supplies		3,412	
Instructional Supplies and Materials		2,010	
Law Enforcement Supplies		2,485	
Uniforms		45	
Trustee's Commission		203	
Other Charges		13,600	
Communication Equipment		4,391	
Data Processing Equipment		14,460	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Furniture and Fixtures	\$	3,700	
Law Enforcement Equipment		75,556	
Motor Vehicles		148,529	
Total Drug Enforcement			\$ 305,635

Total Drug Control Fund \$ 305,635

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	88,947	
Assistant(s)		49,747	
Supervisor/Director		33,361	
Secretary(ies)		33,361	
Board and Committee Members Fees		6,475	
Social Security		16,196	
Pensions		12,134	
Life Insurance		1,333	
Medical Insurance		26,250	
Dental Insurance		774	
Unemployment Compensation		648	
Accounting Services		12,000	
Dues and Memberships		4,105	
Engineering Services		3,250	
Evaluation and Testing		135	
Maintenance and Repair Services - Office Equipment		222	
Travel		1,031	
Other Contracted Services		480	
Drugs and Medical Supplies		17	
Office Supplies		1,170	
Other Charges		1,572	
Total Administration			\$ 293,208

Highway and Bridge Maintenance

Equipment Operators	\$	436,374	
Social Security		33,383	
Pensions		19,837	
Life Insurance		4,893	
Medical Insurance		135,067	
Dental Insurance		3,177	
Unemployment Compensation		3,735	
Other Contracted Services		796,123	
Asphalt - Cold Mix		13,670	
Asphalt - Hot Mix		7,288	
Asphalt - Liquid		173,979	
Concrete		6,011	
Crushed Stone		82,300	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Pipe - Concrete	\$	365	
Road Signs		3,616	
Salt		8,414	
Other Supplies and Materials		9,837	
Total Highway and Bridge Maintenance			\$ 1,738,069

Operation and Maintenance of Equipment

Mechanic(s)	\$	98,795	
Social Security		7,558	
Pensions		6,370	
Life Insurance		667	
Medical Insurance		23,449	
Dental Insurance		795	
Unemployment Compensation		432	
Laundry Service		1,977	
Diesel Fuel		51,348	
Equipment and Machinery Parts		100,451	
Garage Supplies		2,246	
Gasoline		24,738	
Lubricants		7,634	
Tires and Tubes		15,621	
Other Supplies and Materials		4,236	
Total Operation and Maintenance of Equipment			346,317

Other Charges

Communication	\$	4,479	
Electricity		4,797	
Natural Gas		1,847	
Water and Sewer		744	
Liability Insurance		42,007	
Trustee's Commission		20,977	
Workers' Compensation Insurance		91,707	
Other Charges		144	
Total Other Charges			166,702

Capital Outlay

Highway Equipment	\$	26,879	
Total Capital Outlay			26,879

Principal on DebtHighways and Streets

Principal on Notes	\$	87,000	
Total Highways and Streets			87,000

Interest on DebtHighways and Streets

Interest on Notes	\$	2,518	
Total Highways and Streets			2,518

Total Highway/Public Works Fund \$ 2,660,693

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 2,132,916	
Principal on Notes	235,000	
Total General Government		\$ 2,367,916

Interest on DebtGeneral Government

Interest on Bonds	\$ 633,179	
Interest on Notes	15,252	
Total General Government		648,431

Other Debt ServiceGeneral Government

Fiscal Agent Charges	\$ 82,521	
Trustee's Commission	32,492	
Other Debt Issuance Charges	89,335	
Total General Government		204,348

Total General Debt Service Fund \$ 3,220,695

Rural Debt Service FundPrincipal on DebtEducation

Principal on Bonds	\$ 540,000	
Principal on Notes	70,000	
Principal on Other Loans	703,884	
Total Education		\$ 1,313,884

Interest on DebtEducation

Interest on Bonds	\$ 2,214,400	
Interest on Notes	3,121	
Interest on Other Loans	419,309	
Total Education		2,636,830

Other Debt ServiceEducation

Fiscal Agent Charges	\$ 4,726	
Trustee's Commission	46,229	
Total Education		50,955

Total Rural Debt Service Fund 4,001,669

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Trustee's Commission	\$ 10,634	
Building Improvements	476,808	

(Continued)

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>General Administration Projects (Cont.)</u>			
Heating and Air Conditioning Equipment	\$	10,874	
Motor Vehicles		<u>27,967</u>	
Total General Administration Projects	\$		526,283
<u>Administration of Justice Projects</u>			
Communication Equipment	\$	<u>6,000</u>	
Total Administration of Justice Projects			6,000
<u>Public Safety Projects</u>			
Building Improvements	\$	98,258	
Maintenance Equipment		<u>7,448</u>	
Total Public Safety Projects			105,706
<u>Public Health and Welfare Projects</u>			
Site Development	\$	106,390	
Health Equipment		<u>83,154</u>	
Total Public Health and Welfare Projects			189,544
<u>Social, Cultural, and Recreation Projects</u>			
Building Improvements	\$	<u>3,728</u>	
Total Social, Cultural, and Recreation Projects			3,728
<u>Public Utility Projects</u>			
Engineering Services	\$	<u>40,400</u>	
Total Public Utility Projects			40,400
<u>Education Capital Projects</u>			
Building Improvements	\$	199,044	
Data Processing Equipment		127,991	
Transportation Equipment		378,400	
Vocational Instruction Equipment		<u>19,924</u>	
Total Education Capital Projects			<u>725,359</u>
Total General Capital Projects Fund			\$ 1,597,020
<u>Education Capital Projects Fund</u>			
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	<u>2,144,295</u>	
Total Capital Projects Donated to School Department			<u>\$ 2,144,295</u>
Total Education Capital Projects Fund			<u>2,144,295</u>
Total Governmental Funds - Primary Government			<u>\$ 37,048,524</u>

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2017

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 10,239,705	
Career Ladder Program	45,823	
Homebound Teachers	12,388	
Instructional Computer Personnel	64,092	
Educational Assistants	287,373	
Other Salaries and Wages	22,807	
Certified Substitute Teachers	62,811	
Non-certified Substitute Teachers	122,542	
Social Security	634,419	
Pensions	952,529	
Life Insurance	22,481	
Medical Insurance	2,146,305	
Dental Insurance	108,949	
Employer Medicare	148,788	
Maintenance and Repair Services - Equipment	2,069	
Instructional Supplies and Materials	159,618	
Textbooks - Bound	290,919	
Other Supplies and Materials	210	
Other Charges	26,596	
Regular Instruction Equipment	82,991	
Total Regular Instruction Program		\$ 15,433,415

Alternative Instruction Program

Other Charges	\$ 6,098	
Total Alternative Instruction Program		6,098

Special Education Program

Teachers	\$ 1,732,738	
Career Ladder Program	10,000	
Homebound Teachers	3,663	
Educational Assistants	261,964	
Speech Pathologist	170,089	
Other Salaries and Wages	106,190	
Certified Substitute Teachers	8,228	
Non-certified Substitute Teachers	38,017	
Social Security	135,667	
Pensions	201,234	
Life Insurance	5,718	
Medical Insurance	500,926	
Dental Insurance	28,344	
Employer Medicare	31,866	
Maintenance and Repair Services - Equipment	84	
Other Contracted Services	193,250	
Instructional Supplies and Materials	10,334	
Other Supplies and Materials	1,487	
Other Charges	50	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Regular Instruction Equipment	\$	522	
Special Education Equipment		898	
Total Special Education Program			\$ 3,441,269

Career and Technical Education Program

Teachers	\$	944,377	
Career Ladder Program		5,000	
Certified Substitute Teachers		4,553	
Non-certified Substitute Teachers		12,087	
Social Security		57,461	
Pensions		84,718	
Life Insurance		1,820	
Medical Insurance		163,619	
Dental Insurance		9,006	
Employer Medicare		13,482	
Maintenance and Repair Services - Buildings		491	
Instructional Supplies and Materials		24,042	
Other Charges		1,784	
Vocational Instruction Equipment		20,743	
Total Career and Technical Education Program			1,343,183

Student Body Education Program

Other Salaries and Wages	\$	45,466	
Social Security		2,673	
Pensions		2,820	
Employer Medicare		625	
Other Charges		13,272	
Total Student Body Education Program			64,856

Support ServicesAttendance

Supervisor/Director	\$	66,341	
Career Ladder Program		1,000	
Clerical Personnel		30,782	
Other Salaries and Wages		1,350	
Social Security		6,002	
Pensions		8,217	
Life Insurance		184	
Medical Insurance		14,483	
Dental Insurance		929	
Employer Medicare		1,404	
Travel		244	
Other Contracted Services		8,465	
Software		80	
Other Supplies and Materials		1,418	
In Service/Staff Development		993	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Attendance (Cont.)

Other Charges	\$	2,795	
Attendance Equipment		<u>1,625</u>	
Total Attendance			\$ 146,312

Health Services

Supervisor/Director	\$	115,476	
Medical Personnel		379,258	
Clerical Personnel		12,410	
Other Salaries and Wages		38,213	
Social Security		30,697	
Pensions		44,699	
Life Insurance		984	
Medical Insurance		101,398	
Dental Insurance		5,506	
Employer Medicare		7,360	
Travel		1,902	
Other Supplies and Materials		12,238	
In Service/Staff Development		7,122	
Other Charges		13,450	
Special Education Equipment		<u>898</u>	
Total Health Services			771,611

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		597,690	
Psychological Personnel		25,227	
Secretary(ies)		45,815	
Other Salaries and Wages		50,053	
Social Security		43,331	
Pensions		64,335	
Life Insurance		1,380	
Medical Insurance		118,749	
Dental Insurance		6,309	
Employer Medicare		10,134	
Evaluation and Testing		57,379	
Travel		1,259	
Other Supplies and Materials		1,464	
In Service/Staff Development		89	
Other Charges		<u>1,189</u>	
Total Other Student Support			1,027,403

Regular Instruction Program

Supervisor/Director	\$	248,004	
Career Ladder Program		6,833	
Librarians		464,483	
Secretary(ies)		76,808	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Social Security	\$	46,356	
Pensions		70,080	
Life Insurance		1,567	
Medical Insurance		149,841	
Dental Insurance		7,146	
Employer Medicare		10,841	
Travel		5,166	
Other Contracted Services		6,302	
Library Books/Media		24,740	
Other Supplies and Materials		31,051	
In Service/Staff Development		12,776	
Other Charges		6,462	
Regular Instruction Equipment		30	
Total Regular Instruction Program			\$ 1,168,486

Special Education Program

Supervisor/Director	\$	67,966	
Career Ladder Program		1,000	
Psychological Personnel		134,748	
Secretary(ies)		19,776	
Other Salaries and Wages		2,409	
Social Security		12,661	
Pensions		19,848	
Life Insurance		413	
Medical Insurance		42,796	
Dental Insurance		2,093	
Employer Medicare		2,961	
Communication		656	
Maintenance and Repair Services - Equipment		2,569	
Travel		5,642	
Other Supplies and Materials		2,901	
In Service/Staff Development		8,244	
Other Charges		290	
Regular Instruction Equipment		115	
Special Education Equipment		2,800	
Total Special Education Program			329,888

Career and Technical Education Program

Supervisor/Director	\$	58,035	
Social Security		3,598	
Pensions		5,246	
Life Insurance		92	
Employer Medicare		842	
Communication		416	
Travel		693	
Total Career and Technical Education Program			68,922

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Technology

Supervisor/Director	\$	69,482	
Other Salaries and Wages		108,433	
Social Security		9,413	
Pensions		14,080	
Life Insurance		360	
Medical Insurance		48,989	
Dental Insurance		2,003	
Employer Medicare		2,202	
Internet Connectivity		57,804	
Travel		6,764	
Other Contracted Services		61,420	
Software		42,382	
Other Supplies and Materials		3,404	
In Service/Staff Development		6,144	
Regular Instruction Equipment		98,482	
Total Technology			\$ 531,362

Other Programs

On-behalf Payments to OPEB	\$	225,253	
Total Other Programs			225,253

Board of Education

Secretary to Board	\$	372	
Board and Committee Members Fees		9,560	
Social Security		394	
Pensions		15	
Medical Insurance		157,487	
Dental Insurance		20,273	
Unemployment Compensation		12,070	
Employer Medicare		143	
Audit Services		8,200	
Dues and Memberships		6,940	
Legal Services		1,473	
Travel		871	
Software		3,403	
Liability Insurance		275,897	
Trustee's Commission		269,790	
Workers' Compensation Insurance		244,146	
In Service/Staff Development		12,952	
Other Charges		55,019	
Total Board of Education			1,079,005

Director of Schools

County Official/Administrative Officer	\$	118,554	
Career Ladder Program		1,000	
Secretary(ies)		32,401	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

Clerical Personnel	\$	28,023	
Other Salaries and Wages		336	
Social Security		10,994	
Pensions		15,573	
Life Insurance		275	
Medical Insurance		17,745	
Dental Insurance		1,130	
Local Retirement		3,600	
Employer Medicare		2,637	
Communication		12,904	
Dues and Memberships		5,219	
Maintenance and Repair Services - Equipment		8,679	
Postal Charges		4,274	
Travel		6,032	
Office Supplies		4,738	
In Service/Staff Development		3,069	
Total Director of Schools			\$ 277,183

Office of the Principal

Principals	\$	716,769	
Career Ladder Program		13,000	
Accountants/Bookkeepers		80,955	
Assistant Principals		780,579	
Secretary(ies)		296,972	
Social Security		109,917	
Pensions		162,704	
Life Insurance		3,580	
Medical Insurance		374,358	
Dental Insurance		17,234	
Employer Medicare		25,711	
Communication		40,912	
Travel		2,835	
Office Supplies		4,735	
In Service/Staff Development		566	
Other Charges		2,804	
Total Office of the Principal			2,633,631

Fiscal Services

Supervisor/Director	\$	65,515	
Accountants/Bookkeepers		161,114	
Social Security		13,774	
Pensions		16,396	
Life Insurance		451	
Medical Insurance		35,635	
Dental Insurance		2,312	
Employer Medicare		3,221	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Fiscal Services (Cont.)

Other Contracted Services	\$	23,210	
Software		380	
Other Supplies and Materials		1,604	
In Service/Staff Development		448	
Administration Equipment		2,085	
Total Fiscal Services			\$ 326,145

Operation of Plant

Custodial Personnel	\$	596,095	
Social Security		34,263	
Pensions		40,317	
Life Insurance		2,234	
Medical Insurance		195,719	
Dental Insurance		11,673	
Employer Medicare		8,205	
Laundry Service		7,712	
Electricity		1,086,597	
Natural Gas		53,793	
Water and Sewer		91,130	
Other Supplies and Materials		105,606	
Total Operation of Plant			2,233,344

Maintenance of Plant

Supervisor/Director	\$	47,476	
Maintenance Personnel		267,583	
Social Security		18,646	
Pensions		22,185	
Life Insurance		803	
Medical Insurance		70,417	
Dental Insurance		3,253	
Employer Medicare		4,361	
Communication		2,100	
Maintenance and Repair Services - Buildings		1,050	
Maintenance and Repair Services - Equipment		11,019	
Other Contracted Services		40,938	
Other Supplies and Materials		179,104	
In Service/Staff Development		297	
Maintenance Equipment		1,440	
Total Maintenance of Plant			670,672

Transportation

Supervisor/Director	\$	63,962	
Mechanic(s)		131,601	
Bus Drivers		790,713	
Clerical Personnel		35,754	
Other Salaries and Wages		6,182	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Social Security	\$	59,888	
Pensions		72,066	
Life Insurance		5,395	
Medical Insurance		475,978	
Dental Insurance		27,526	
Employer Medicare		14,006	
Communication		2,025	
Laundry Service		11,690	
Maintenance and Repair Services - Buildings		8,182	
Travel		872	
Other Contracted Services		1,018	
Diesel Fuel		151,944	
Gasoline		13,771	
Office Supplies		1,246	
Tires and Tubes		30,902	
Vehicle Parts		159,407	
Software		3,050	
In Service/Staff Development		1,687	
Other Charges		17,597	
Motor Vehicles		41,172	
Total Transportation			\$ 2,127,634

Operation of Non-instructional ServicesCommunity Services

Other Salaries and Wages	\$	213,136	
Social Security		13,129	
Pensions		5,301	
Life Insurance		92	
Medical Insurance		6,670	
Dental Insurance		530	
Employer Medicare		3,071	
Communication		511	
Travel		7,169	
Other Contracted Services		37,449	
Food Supplies		1,031	
Instructional Supplies and Materials		2,150	
Other Supplies and Materials		16,018	
In Service/Staff Development		275	
Other Charges		28,207	
Regular Instruction Equipment		824	
Total Community Services			335,563

Early Childhood Education

Teachers	\$	335,684	
Career Ladder Program		580	
Educational Assistants		100,162	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

General Purpose School Fund (Cont.)Operation of Non-instructional Services (Cont.)Early Childhood Education (Cont.)

Other Salaries and Wages	\$	20,910	
Certified Substitute Teachers		2,355	
Non-certified Substitute Teachers		6,750	
Social Security		27,402	
Pensions		39,379	
Life Insurance		1,311	
Medical Insurance		107,983	
Dental Insurance		6,567	
Employer Medicare		6,410	
Communication		1,022	
Instructional Supplies and Materials		1,916	
Other Supplies and Materials		2,788	
In Service/Staff Development		1,329	
Other Charges		593	
Total Early Childhood Education			\$ 663,141

Capital OutlayRegular Capital Outlay

Other Capital Outlay	\$	235,966	
Total Regular Capital Outlay			235,966

Principal on DebtEducation

Debt Service Contribution to Primary Government	\$	225,892	
Total Education			225,892

Total General Purpose School Fund \$ 35,366,234

School Federal Projects FundInstructionRegular Instruction Program

Supervisor/Director	\$	2,875	
Teachers		717,940	
Other Salaries and Wages		21,033	
Certified Substitute Teachers		4,875	
Non-certified Substitute Teachers		14,062	
Social Security		45,094	
Pensions		66,597	
Life Insurance		1,285	
Medical Insurance		97,872	
Dental Insurance		6,113	
Employer Medicare		10,569	
Instructional Supplies and Materials		43,595	
Software		6,345	
Other Charges		3,015	
Regular Instruction Equipment		17,630	
Total Regular Instruction Program			\$ 1,058,900

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

School Federal Projects Fund (Cont.)Instruction (Cont.)Special Education Program

Educational Assistants	\$	465,841	
Other Salaries and Wages		20,638	
Certified Substitute Teachers		120	
Non-certified Substitute Teachers		4,354	
Social Security		26,897	
Pensions		34,463	
Life Insurance		2,838	
Medical Insurance		230,567	
Dental Insurance		15,667	
Employer Medicare		6,309	
Instructional Supplies and Materials		2,899	
Other Supplies and Materials		6,134	
Other Charges		440	
Special Education Equipment		7,277	
Total Special Education Program			\$ 824,444

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	2,044	
Other Contracted Services		9,404	
Instructional Supplies and Materials		5,136	
Vocational Instruction Equipment		57,505	
Total Career and Technical Education Program			74,089

Support ServicesHealth Services

Other Contracted Services	\$	36,866	
Total Health Services			36,866

Other Student Support

Other Salaries and Wages	\$	77,825	
Social Security		4,750	
Pensions		7,036	
Life Insurance		138	
Medical Insurance		10,308	
Dental Insurance		1,300	
Employer Medicare		1,111	
Travel		18,508	
Other Supplies and Materials		900	
In Service/Staff Development		5,464	
Other Charges		1,395	
Total Other Student Support			128,735

Regular Instruction Program

Supervisor/Director	\$	35,977	
Secretary(ies)		17,270	
Other Salaries and Wages		26,845	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

School Federal Projects Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Social Security	\$	4,933	
Pensions		6,819	
Life Insurance		46	
Medical Insurance		3,365	
Dental Insurance		45	
Employer Medicare		1,161	
Travel		190	
Food Supplies		1,182	
Instructional Supplies and Materials		58	
Other Supplies and Materials		255	
In Service/Staff Development		36,381	
Total Regular Instruction Program			\$ 134,527

Special Education Program

Secretary(ies)	\$	19,776	
Social Security		1,212	
Pensions		1,305	
Employer Medicare		283	
Travel		7	
Other Supplies and Materials		3,372	
In Service/Staff Development		12,180	
Total Special Education Program			38,135

Total School Federal Projects Fund \$ 2,295,696

Central Cafeteria FundOperation of Non-instructional ServicesFood Service

Supervisor/Director	\$	70,447	
Accountants/Bookkeepers		29,780	
Cafeteria Personnel		724,971	
Other Salaries and Wages		6,450	
Social Security		47,294	
Pensions		50,369	
Life Insurance		3,359	
Medical Insurance		276,682	
Dental Insurance		20,824	
Employer Medicare		11,061	
Communication		572	
Maintenance and Repair Services - Equipment		14,817	
Travel		4,797	
Other Contracted Services		14,914	
Food Preparation Supplies		83,530	
Food Supplies		975,169	
Office Supplies		5,731	
USDA - Commodities		176,603	

(Continued)

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department (Cont.)

<u>Central Cafeteria Fund (Cont.)</u>			
<u>Operation of Non-instructional Services (Cont.)</u>			
<u>Food Service (Cont.)</u>			
Other Supplies and Materials	\$	758	
In Service/Staff Development		8,642	
Other Charges		1,547	
Food Service Equipment		3,264	
Total Food Service			\$ 2,531,581
Total Central Cafeteria Fund			\$ 2,531,581
<u>Education Capital Projects Fund</u>			
<u>Capital Outlay</u>			
<u>Regular Capital Outlay</u>			
Building Improvements	\$	2,133,282	
Total Regular Capital Outlay			\$ 2,133,282
Total Education Capital Projects Fund			2,133,282
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Building Improvements	\$	122,641	
Total Education Capital Projects			\$ 122,641
Total Other Capital Projects Fund			122,641
Total Governmental Funds - Coffee County School Department			\$ 42,449,434

Exhibit K-10

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee
For the Year Ended June 30, 2017

	<u>Enterprise Fund</u>
	Wayside
	Acres
	Sewer
	Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 28,554
Other General Service Charges	7,697
Water Tap Sales	21,000
Service Charges	500
Total Charges for Current Services	<u>\$ 57,751</u>
Total Operating Revenue	<u>\$ 57,751</u>
Total Revenues	<u><u>\$ 57,751</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Other Public Health and Welfare</u>	
Communication	\$ 674
Dues and Memberships	400
Engineering Services	8,032
Permits	1,000
Other Contracted Services	20,289
Electricity	3,042
Water and Sewer	84
Other Supplies and Materials	2,158
Depreciation	27,233
Total Waste Pickup	<u>\$ 62,912</u>
Total Operating Expenses	<u>\$ 62,912</u>
<u>Nonoperating Expenses</u>	
<u>General Government Debt Service</u>	
Interest on Other Loans	<u>\$ 4,252</u>
Total Nonoperating Expenses	<u>\$ 4,252</u>
Total Expenses	<u><u>\$ 67,164</u></u>

Exhibit K-11

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 5,482,981	\$ 2,461,348	\$ 7,944,329
Trustee's Collections - Prior Years	0	156,713	70,350	227,063
Trustee's Collections - Bankruptcy	0	5,254	2,274	7,528
Circuit/Clerk and Master Collections - Prior Years	0	60,511	27,368	87,879
Interest and Penalty	0	49,154	22,114	71,268
Payments in-Lieu-of Taxes - TVA	0	350	157	507
Payments in-Lieu-of Taxes - Other	0	1,702	764	2,466
Local Option Sales Tax	15,949,832	0	0	15,949,832
Mixed Drink Tax	0	0	0	0
Interstate Telecommunications Tax	0	1,613	724	2,337
Marriage Licenses	0	1,408	638	2,046
Alcoholic Beverage Tax	0	2,709	1,216	3,925
Total Cash Receipts	<u>\$ 15,949,832</u>	<u>\$ 5,762,395</u>	<u>\$ 2,586,953</u>	<u>\$ 24,299,180</u>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 15,793,295	\$ 5,809,175	\$ 2,579,138	\$ 24,181,608
Trustee's Commission	156,537	114,714	51,497	322,748
Total Cash Disbursements	<u>\$ 15,949,832</u>	<u>\$ 5,923,889</u>	<u>\$ 2,630,635</u>	<u>\$ 24,504,356</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (161,494)	\$ (43,682)	\$ (205,176)
Cash Balance, July 1, 2016	0	167,187	59,762	226,949
Cash Balance, June 30, 2017	<u>\$ 0</u>	<u>\$ 5,693</u>	<u>\$ 16,080</u>	<u>\$ 21,773</u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Coffee County Mayor and
Board of County Commissioners
Coffee County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements, and have issued our report thereon dated January 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coffee County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coffee County's internal control. Accordingly, we do not express an opinion on the effectiveness of Coffee County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal controls, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2017-002 and 2017-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2017-001.

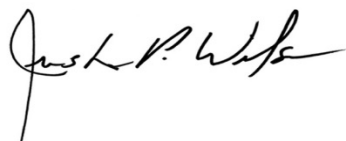
Coffee County's Responses to Findings

Coffee County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Coffee County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coffee County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 17, 2018

JPW/sb



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

**Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control Over Compliance and on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Coffee County Mayor and
Board of County Commissioners
Coffee County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Coffee County's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Coffee County's major federal programs for the year ended June 30, 2017. Coffee County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Coffee County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Coffee County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Coffee County's compliance.

Opinion on Each Major Federal Program

In our opinion, Coffee County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Coffee County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Coffee County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Coffee County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

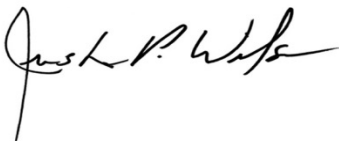
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements. We issued our report thereon dated January 17, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 17, 2018

JPW/sb

Coffee County, Tennessee, and the Coffee County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2017

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 176,603 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	487,448
National School Lunch Program	10.555	N/A	1,244,212 (5) (6)
Total U.S. Department of Agriculture			<u>\$ 1,908,263</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.U01	N/A	\$ 53,776
Total U.S. Department of Defense			<u>\$ 53,776</u>
U. S. Department of Housing & Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnership Program	14.239	N/A	\$ 40,186
Total U.S. Department of Housing and Urban Development			<u>\$ 40,186</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	\$ 6,772
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(3)	14,115
Total U.S. Department of Justice			<u>\$ 20,887</u>
Appalachian Regional Commission:			
Pass-through State Department of Environment and Conservation:			
Appalachian Area Development Supplemental and Direct Grants	23.002	(3)	\$ 2,400
Total Appalachian Regional Commission:			<u>\$ 2,400</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	N/A	\$ 6,828
Total Institute of Museum and Library Services:			<u>\$ 6,828</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,041,965
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	886,232
Special Education - Preschool Grants	84.173	N/A	24,253
Career and Technical Education - Basic Grants to States	84.048	N/A	98,042
Twenty-first Century Community Learning Centers	84.287	N/A	90,858
Rural Education	84.358	N/A	56,314
Improving Teacher Quality State Grants	84.367	N/A	171,786
Passed-through Franklin County, TN, Board of Education:			
English Language Acquisition Grants	84.365	N/A	6,034
Total U.S. Department of Education			<u>\$ 2,375,484</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Drug-free Communities Support Program Grants	93.276	(3)	\$ 120,394
Passed-through State Department of Education:			
Child Care and Development Block Grants	93.575	(3)	38,109
Total U.S. Department of Health and Human Services			<u>\$ 158,503</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 35,850
Homeland Security Grant Program	97.067	(3)	14,541
Total U.S. Department of Homeland Security			<u>\$ 50,391</u>
Total Expenditures of Federal Awards			<u>\$ 4,616,718</u>

(Continued)

Coffee County, Tennessee, and the Coffee County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(3)	\$ 647,398
Coordinated School Health - State Department of Education	N/A	(3)	84,328
Family Resource Center - State Department of Education	N/A	(3)	59,923
ConnecTenn - State Department of Education	N/A	(3)	11,687
Safe Schools Act - State Department of Education	N/A	(3)	21,806
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	9,968
Litter Program - State Department of Transportation	N/A	(3)	42,604
Rural Local Health Services - State Department of Health	N/A	GG-16-45629-00	491,631
Access to Health Through Healthy Active Built Environment - State Department of Health	N/A	(3)	10,000
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	9,000
Read To Be Ready Coaching Network - State Department of Education	N/A	(3)	4,991
Student Ticket Subsidy Grant - State Arts Commission	N/A	(3)	2,804
Total State Grants			<u>\$ 1,396,140</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Coffee County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$1,908,263; Special Education Cluster total \$910,485.
- (5) Total for CFDA No. 10.555 is \$1,420,815.
- (6) National School Lunch Program - \$1,217,029; Afterschool Snack Program - \$27,183.

Coffee County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Coffee County, Tennessee, for the year ended June 30, 2017.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF COUNTY MAYOR

2016	209	2016-001	The Coffee County Animal Shelter had accounting deficiencies	N/A	Corrected
2016	210	2016-002	The county contributed \$39,000 to the Wayside Acres Sewer Fund in violation of state statute	N/A	Corrected

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

2016	210	2016-003	Execution docket trial balances were not prepared for circuit, general sessions, and juvenile courts	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	211	2016-004	The computer software application did not generate a report of outside direct payments	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	212	2016-005	The office software audit log was not functioning correctly	N/A	Corrected

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

COFFEE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Coffee County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Number: 84.010 Title I Grants to Local Education Agencies
 - * CFDA Number: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2017-001

EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2017, the circuit, general sessions, and juvenile courts clerk presented undisbursed receipt reports for execution docket trial balances as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, these reports did not reconcile with general ledger accounts by significant amounts. The clerk had unidentified balances of \$5,494, \$58,988, and \$11, in Circuit, General Sessions, and Juvenile Courts, respectively. Therefore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. This deficiency is the result of management's failure to correct the finding noted in prior-year audit reports and management's failure to implement their corrective action plan.

RECOMMENDATION

Execution docket trial balances should be reconciled with general ledger accounts. Any funds held by the courts for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in accordance with state statutes.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

The Circuit Court Clerk did properly comply with the Unclaimed Property Act, *TCA* 66-29-110 and *TCA* 66-29-113, by reporting and paying over abandoned funds to the State Treasurer's Office. The Circuit Court Clerk reconciles the bank statement for each court to the general ledger for each court every month. The general ledger and bank statement always reconcile without issue, showing that all monies are accounted for. However, the general ledger and the docket trial balance have had discrepancies due to the computer conversion to ICON software. We are aware of these discrepancies and are working with

ICON software representatives in an attempt to reconcile the general ledger to the docket trial balance for each court. In addition, we currently compare the general ledger and the docket trial balance daily in an effort to ensure progress is being made and that computer programming had been done to properly tie accounts and prevent future discrepancies.

FINDING 2017-002

**THE COMPTER SOFTWARE APPLICATION DID NOT
GENERATE A REPORT OF OUTSIDE DIRECT
PAYMENTS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The courts' computer software application allowed users to generate receipts that did not flow through the accounting records. These receipts are referred to as outside direct payments because these funds are not deposited with the courts but are disbursed directly to the appropriate party. A report detailing these receipts was not available until March 2017. Because this receipting functionality could be used improperly, a report of these transactions should have been available for review by management for the entire fiscal year. Due to formatting issues, the report remains difficult to read.

RECOMMENDATION

Management should contact their software vendor and request the report of outside direct payments be reformatted so all information is presented clearly. This report should be reviewed by management for inappropriate activity.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE
COURTS CLERK

While we concur with this finding, it should be pointed out that we have been able to generate a report of outside direct payments since March 2017. In addition, management has been reviewing the report as recommended since March 2017.

FINDING 2017-003

**THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT
LOGS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office did not consistently generate a log that displayed changes and deletions made by users. When generated correctly, these logs provided the only audit trail of these changes and deletions. Because management had not placed proper review procedures in place, they were not aware the audit logs were not functioning correctly. The audit logs were corrected by the vendor during the fiscal year to generate correctly when printed. Management began reviewing these logs in June 2017.

RECOMMENDATION

Management should review these logs on a routine basis to ensure the logs are functioning correctly. Any unusual transactions should be investigated.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

We concur with this finding in that the software application did not produce functioning audit logs until June 2017. However, we disagree with the portion of the finding that states "Because management had not placed proper review procedures in place, they were not aware the audit logs were not functioning correctly." Management made regular attempts throughout the fiscal year to produce the audit log for review. However, due to system formats, the audit log could not be produced in a clear, concise, reviewable manner. Management was aware of the issue and contacted the software vendor regularly throughout the year until it was corrected in June 2017. Since June 2017, management has produced and reviewed the audit logs regularly.

AUDITOR'S COMMENT

When auditors requested documentation of review of the audit log in December 2016, the official was not aware of the operational status of this log.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.

Coffee County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

2017-001	Execution docket trail balances were not prepared for circuit, genneral sessions, and juvenile courts.	225
2017-002	The computer software application did not generate a report of outside direct payments.	226
2017-003	The office did not review its software audit logs.	226-227

HEATHER HINDS DUNCAN
Circuit Court Clerk
Corrective Action Plan

COFFEE COUNTY TENNESSEE
P.O. BOX 629
MANCHESTER, TENNESSEE 37349
PHONE: 931-723-5110

FINDING: EXECUTION DOCKET TRIAL BALANCES FOR CIRCUIT,
GENERAL SESSIONS, AND JUVENILE COURTS CLERK DID
NOT RECONCILE WITH GENERAL LEDGER ACCOUNTS

Response and Corrective Action Plan Prepared by:

Heather Hinds Duncan

Person Responsible for Implementing the Corrective Action:

Heather Hinds Duncan

Anticipated Completion Date of Corrective Action:

January 31, 2018

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

This finding stems from issues with our computer conversion and the transfer of accounts between the two computer systems. The Circuit Court Clerk and ICON representatives have been working to identify the causes of the conversion issues and the discrepancies and properly apply these funds as they should be on the docket trial balance. The discrepancy exists due to the fact that several agency codes and accounting codes used by the former computer system are outdated, no longer of use, and not recognized by ICON software. It has taken an incredible amount of time to search the history of these funds and bring them into the new system in the proper manner.

Planned Corrective Action:

Most of the discrepancies have now been correctly and properly allocated. The Circuit Court Clerk and the bookkeeper compare the general ledger and the docket trial balance for each court on a daily basis to ensure progress is being made to correct all previous discrepancies and ensure any new discrepancies are corrected immediately.

Heather Duncan

HEATHER HINDS DUNCAN
Circuit Court Clerk

COFFEE COUNTY TENNESSEE
P.O. BOX 629
MANCHESTER, TENNESSEE 37349
PHONE: 931-723-5110

Coffee County, Tennessee
Office of Circuit and General Sessions
Corrective Action Plan
FYE 6/3017

Corrective Action Plan

FINDING: THE SOFTWARE APPLICATION DID NOT GENERATE
A REPORT OF OUTSIDE DIRECT PAYMENTS

Response and Corrective Action Plan Prepared by:
Heather Hinds Duncan, Circuit Court Clerk

Person Responsible for Implementing the Corrective Action:
Heather Hinds Duncan, Circuit Court Clerk

Anticipated Completion Date of Corrective Action:
Completed March 2017

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
This corrective action was taken by our computer vendor, ICON Software, during the 2016-17 fiscal year.

Planned Corrective Action:
Corrected March 2017

FINDING: THE OFFICE DID NOT REVIEW SOFTWARE AUDIT
LOGS

Response and Corrective Action Plan Prepared by:
Heather Hinds Duncan, Circuit Court Clerk

Person Responsible for Implementing the Corrective Action:
Heather Hinds Duncan

Anticipated Completion Date of Corrective Action:
Completed June 2017

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

This corrective action was taken by our computer vendor, ICON Software, during the 2016-17 fiscal year.

Planned Corrective Action:

Corrected June 2017.

Signature:



BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Coffee County.

COFFEE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Coffee County operates under the provisions of the Fiscal Control Acts of 1957 for central purchasing covering the funds controlled by the county mayor and the road superintendent. Also, the county operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting and Budgeting similar to that created by the adoption of the County Fiscal Procedure Law of 1957. However, neither this arrangement nor the 1957 Act includes the county's School Department.

Coffee County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Coffee County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.